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SOUTH AND EAST ASIA REPORT

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OPPOSITION ASKS SPECIAL DISCUSSION OF IMF LOAN

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 1

[Text] New Delhi, August 18--The chairman of the Rajya Sabha, Mr M. Hidayatullah, ruled today that he would consider the opposition plea for a special discussion on the proposed massive borrowing from the International Monetary Fund (IMF) if submitting to him in writing.

The opposition and the treasury benches appeared to be at loggerheads on this issue today. The finance minister, Mr R. Venkataraman, categorically stated that though the conditions for the IMF loan were not disclosed during the negotiation stage, the promulgation of the ordinance banning strikes, in essential services was not a condition for securing the loan.

The contention of the CPM leader, Mr P. Ramamurti, that the sovereignty of the country was involved in the financial deal was supported by other opposition members. Even Mr N. K. P. Salve of the ruling party felt constrained to draw the minister's attention to the uncalled-for conditions often imposed by international monetary agencies as a result of which several third world countries came to grief.

The finance minister denied that the ordinance was issued on the dictates of the IMF or that the government had resorted to increase in prices of petroleum products at the instance of any monetary agency. These measures were taken keeping in mind the national budgetary interest. He deplored the "whispering campaign" started on this score.

Mr Kalyanasundaram (CPI) levelled the allegation during question time, linking the ordinance with the IMF loan conditions. The minister's denial prompted the opposition to demand a special half-hour discussion on the massive borrowing proposed from IMF and other international agencies. The treasury benches were unwilling for such a discussion.

Mr Ramamurti said he was opposed to the very concept of massive borrowing, which was to be in the region of Rs 5,000 crores. The minister's stand was that the proposed loan would be spent on development of railways, coal production and in generating additional power potential.

The total amount of debt which India owed as on June 30, 1981, was a little over Rs 15,360 crores.

UNI adds: Mr George Fernandes (Lok Dal) and Mr Chandrajit Yadav (Janavadi Dal) today demanded a discussion in the Lok Sabha on the circumstances in which India was seeking a Rs 5,000-crore credit from the International Monetary Fund and the conditions sought to be imposed by the fund.

They made the demand when the business advisory committee's report was taken up for approval. Dr Subramaniam Swamy (Janata) pleaded for a discussion on conversions and reported Marxist bias in history books of Delhi university.

Mr Yadav said the question of price rise should have been taken up for immediate discussion. The house should also have an opportunity to have a look at the growing unemployment problem, Mr Yadav added.

Mr Fernandes said IMF was being considered "lender of the last resort." The government, which was said to have accepted the conditions stipulated by the fund, could not be allowed to mortgage the country.

"Mr Fernandes should know that I have no authority to mortgage the country," quipped Mr Venkataraman.

According to Mr Fernandes, the conditions laid down by the IMF included devaluation of the rupee, increase in interest rates, removal of checks on foreign investment and companies, cut in government expenditure and wage control.

CSO: 4220/7582

PRESS REPORTS INDIAN DOUBTS ON IMF LOAN

Draft To be Scrutinized

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 1

[Text] New Delhi, August 21. The draft agreement with the International Monetary Fund for a massive loan being sought by India will be scrutinised here at the highest level next month.

Following widespread criticism of the conditions that IMF is allegedly insisting on the loan, the government is taking no chances and the cabinet committee on political affairs will again have another look at the agreement between the finance ministry and IMF before it is signed.

The Cabinet committee has already approved "in principle" the loan proposal, which is intended to strengthen India's foreign exchange position.

The Cabinet committee, with the prime minister, Mrs Indira Gandhi, in the chair, discussed the issue early this week. It felt that the loan of five billion special drawing rights (Rs. 5,000 crores) could be availed of over the next three years.

According to informed sources, there was no suggestion for devaluation of the Indian rupee this time by IMF, which was largely instrumental for the devaluation in 1966.

The usual terms for such loans may include avoidance of huge budgetary deficits, proper pricing policies for the public sector undertakings to make them profitable and slashing of wasteful expenditure, including withdrawal of some subsidies.

In any case, the government has been alive to these problems and even in the last year's budget, appropriate measures had been introduced. IMF's suggestions thus could not amount to any interference in India's economic affairs.

The sources also point out that the ordinance on strikes in essential services had to be promulgated because of certain developments on the labour front. It had nothing to do with the proposal to seek the IMF loan. They also denied that IMF had suggested either wage or dearness allowance freeze. The finance minister, Mr R. Venkataraman, has repeatedly assured the people that the government would do nothing derogatory to India's self-respect while finalising the agreement with IMF.

Panel Approves Terms

Calcutta THE STATESMAN in English 22 Aug 81 p 1

[Text] New Delhi, Aug 21--The Political Affairs Committee of the Cabinet is understood to have approved terms for the proposed loan from the International Monetary Fund amounting to five billion SDR (about Rs 4,500 crores) for a three year period, reports PTI. The borrowing is intended to cover the estimated balance of payment in the Sixth Plan period.

The terms of the loan were understood to have been considered so that they did not in any way detract from the country's sovereignty or its own investment priorities.

CSO: 4220/7595

REASONS FOR, USES OF IMF LOAN CONSIDERED

Madras THE HINDU in English 23 Aug 81 p 6

[Text] The negotiations of the Government of India with the International Monetary Fund for securing a loan of 5 billion SDRs to overcome balance of payments difficulties in 1981-84 have evoked more than usual interest in business and political circles. Since stringent conditions are usually attached to large loans granted by the IMF, when there is a disequilibrium in balance of payments, and a harsh approach was adopted by this organisation when devaluing the rupee in 1966, it has been represented from several quarters that the Government should not agree to unusual conditions.

It has, of course, been repeatedly stated by Government spokesmen that the loan would be obtained on reasonable terms and there was no need for fear that the IMF would adopt an unhelpful attitude on the present occasion.

Different Situation

The situation now is vastly different from that of 1966 as the large trade gap is due to soaring oil prices and other non-oil importing countries also have similar problems. The gap has nevertheless to be bridged and the deficit in balance of payments which emerged in 1980-81, after the lapse of five years, may be a recurring feature if steps are not taken to reduce dependence on oil imports and step up exports suitably.

The assistance for Rs. 5,068 crores from IMF out of its owned funds and from the Extended Financing Facility is presumably intended to cover the balance of payments deficit that may arise in three years. The intention is obviously to avoid a continuing withdrawal from the country's foreign exchange reserves and maintain them around Rs. 4,000 crores so that they will be equivalent to imports for four months roughly.

Conservative Estimates

An extremely conservative view would seem to have been adopted when assessing export earnings while it is felt that heavy expenditure will have to be incurred on imports if there has to be liberal licensing. The net deficit in balance of payments would appear to have been placed around Rs. 1,500 crores annually, taking the total for three years to Rs. 4,500 crores. Otherwise, there will not be any compulsion to secure a loan of 5 billion SDRs, as stated above.

The use of loaned funds, however, should not result in indiscriminate imports and discouragement to efforts for raising indigenous agricultural and industrial production. If larger foreign exchange expenditure can be helpful in some directions in expediting the implementation of Plan schemes and making a spectacular success of the efforts to raise the output of crude from off-shore and on-shore areas, the massive loan would have been worthwhile especially as the average cost of borrowing may not be more than 9 per cent.

It is expected that a little over 50 per cent of the total will be available from owned funds of IMF at around 6 per cent and the balance around 12.5 per cent. If foreign exchange reserves at the disposal of the Reserve Bank have to be drawn down for bridging the deficit, the cost will be very much more than interest charges payable to IMF.

The income derived by the Reserve Bank in 1979-80 through interest and discount on foreign securities, investments and treasury bills increased to Rs. 675.35 crores from Rs. 484.66 crores even with a decline in aggregate foreign balances by Rs. 203 crores. In 1978-79, the increase in income from this source was Rs. 173.11 crores even with an improvement in aggregate foreign balances by Rs. 868 crores.

The better experience in 1979-80 was clearly due to higher interest rates prevailing in developed countries. The details relating to 1980-81 are not available as the annual report of the RBI may be published after some weeks. But the income may even be higher in spite of a large withdrawal from foreign balances for bridging the big trade gap of Rs. 5,400 crores in the 12 months ended March 31, 1981.

The nadir has perhaps been reached as oil prices may not rise in 1981-82 though the average may still be higher than in 1980-81. However, the quantum of imports of crude and petroleum products is likely to be smaller in the current financial year as compared to 1980-81 and the total outlay can be reduced modestly. As it is slated that there should be an increase in exports by Rs. 1,300 crores the trade gap may be lower at Rs. 4,700 crores.

With continuing assistance from the Consortium and other countries and inflow of remittances from non-resident Indians, it may not be necessary to utilise more than Rs. 750 crores yearly out of the loan for financing only conventional imports in excess of exports. Even with a big deficit of Rs. 5,400 crores in 1980-81, the gross withdrawal from foreign balances was only Rs. 1,277 crores.

Scope for Minimising trade Gap

As it can be hoped that the trade deficit will contract further with rising crude production and exports, the loan from IMF should be utilised for correcting the disequilibrium in trade in the next two years. With increasing foreign indebtedness and servicing obligations, a trade surplus has to be created for minimising dependence on foreign aid and reducing indebtedness.

The terms for repayment of the IMF loan have thus to be realistically formulated. Any advantage accruing to the economy as a result of the efforts to boost production and exports should not be absorbed mainly for fulfilling repayment and

servicing obligations. With an integrated energy policy and strengthening of the industrial and agricultural sectors, the threat posed by the oil crisis can be successfully overcome and the large invisible receipts utilised for boosting foreign exchange reserves.

CSO: 4220/7604

INDIA

LOK DAL LEADER WARNS AGAINST IMF LOAN

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 13

[Text] Cochin, August 22--The Lok Dal leader, Mr. George Fernandes, today asked the government not to enter into any agreement with the International Monetary Fund (IMF) for the proposed massive loan without taking Parliament into confidence.

He told pressmen here that it was the first time that India was going in for a loan of this magnitude. In doing so, it was only tacitly agreeing to devalue the rupee.

According to Mr. Fernandes, even the Essential Services Maintenance Ordinance was promulgated to satisfy the conditions laid down by the IMF. In addition, the government was also going to cut down public expenditure, which would affect social services.

The provisions for the IMF to grant such loans were such that the finance ministry would come under an unseen but definite control of the IMF. By entering into such an agreement, India would be in the dubious company of Haiti, Sri Lanka and the Philippines.

On his way from Trivandrum to Bangalore, Mr. Fernandes expressed his amazement at the Marxist-led government invoking the "much-hated" Travancore Public Security Act, which had been used against the communists in the fifties, to deal with the Naxalites in the state. He appealed to the chief minister, Mr. E. K. Nayanar, not to use such laws as were enacted by autocrats like Mr. C. P. Ramaswamy Iyer.

The moral basis of the opposition's struggle against the Indira Gandhi government would be weakened by the use of such enactments, he warned.

CSO: 4220/7600

U.S. SUPPORT, SOVIET 'COURTSHIP' STRENGTHEN ZIA

Calcutta THE STATESMAN in English 21 Aug 81 p 8

[Editorial]

[Text] It would be unrealistic for New Delhi not to admit that the outlook from Islamabad seems brighter now than it did even a few months ago. However much liberals might deplore General Zia-ul-Haq's Islamic zeal, the kind of sentiment reflected in his Independence Day message presumably appeals to many Pakistanis. Nor would the President have recently released so many political opponents if he did not feel reasonably secure. Under the circumstances, it is pointless to plead that since the Supreme Court held that the 1977 coup was valid only for the purpose of holding elections, the regime still lacks legitimacy, or that even the Provincial Constitutional Order's promise of a 350-member council has not been fulfilled. General Zia's methods are arbitrary, but Pakistanis are obviously unable to resist them; nor is world opinion disposed to express the least disapproval of a Government that has repeatedly betrayed its own specific undertakings. On the contrary, explicit U.S. support, and incipient signs of Soviet courtship, are likely further to strengthen the Pakistani President's position at home and abroad, presenting India with a major military and diplomatic challenge.

Islamabad will have even greater reason for self-congratulation if supplies of F-16 aircraft are hastened, as seems likely from statements by Mr James Buckley, the U.S. Under-Secretary of State for Security Assistance. The irony is that Pakistan is on the point of obtaining highly sophisticated equipment to cope with an alleged Soviet threat even though Mr Agha Shahi loses no opportunity of proclaiming that his country fears nothing from Moscow and has no intention of channelling arms to Afghan rebels. Nor has Washington chosen to take into account the anomaly that all Pakistani security calculations refer only to India's military capability. This was also the basis of the Rand Corporation assessment of Pakistani defence needs. The possibility of a private understanding that does not necessarily conform to Islamabad's public pronouncements cannot, of course, be ruled out, but General Zia's simultaneous overtures to Moscow also suggest that he is capable of greater diplomatic agility than he has been given credit for.

Mr Nikolai Piryubin's expected visit to Islamabad later this month in a measure of the success of this dexterity. The Soviet Deputy Foreign Minister is obviously anxious to win respectability for Mr Babrak Karmal's Government, and the time may

seem propitious now that the U.N. envoy claims "concrete agreement on the procedural aspects". Talks with Kabul are possible even without formal recognition, and Mr Firyubin will presumably address himself to devising a basis without diplomatic obligation on Islamabad's part. This is not to underestimate the extent of differences over Afghanistan, but it is in Moscow's interest to bridge the gap. Wooing Pakistan acquires additional urgency from President Reagan's patronage of General Zia, which explains Soviet offers of a nuclear reactor, tractor plant and power generation units to expand the Karachi steel mill and raise the volume of imports from Pakistan. The likely outcome calls for a reappraisal of India's own foreign policy postulates. The international political rivalry that contributes to Pakistan's strength, enabling General Zia to negotiate to his advantage with both blocs, also provokes questions about the wisdom of New Delhi's prevarication over Afghanistan and dependence on Moscow.

CSO: 4220/7590

SETHI: NO IMF PRESSURE FOR OIL PRICE HIKE

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 13

[Text] New Delhi, August 18--Mr P. C. Sethi, Union minister for petroleum and chemicals, today denied that the rise in the prices of petroleum products had any connection with the loan negotiations with the International Monetary Fund (IMF).

Replying to a calling-attention notice given by Mr Shiv Chandra Jha (JP) and 21 other members, Mr Sethi told Mr Jha and Mr G. C. Bhattacharya (DSF) that their allegations about IMF pressure on India to increase prices of petroleum products to balance the budget were not true.

Stating that there was no proposal under consideration for differential prices in petroleum products, Mr Sethi told the house that while off-shore oil was the Central government's property, onshore oil fetched royalties for Gujarat and Assam. The royalty rate had been increased from Rs 45 to Rs 61 and the demand for an increase in this rate was under consideration.

Energy Policy

The minister underlined the need, while agreeing with opposition members, to regulate consumption of petroleum products and to formulate a national energy policy.

Initiating the motion, Mr Jha said that the increase in prices of petroleum products for the third time--and at a time when OPEC had not increased oil prices--was causing great hardship to the people. There was darkness in rural India and the people felt oppressed by the rise in transportation costs.

Defending the price rise, Mr Sethi said that additional resources would now be available to cover the steeply escalating costs of programmes for accelerated oil production, both offshore and on-shore.

Pointing out that prices of naphtha which affect the cost structure of drugs and pharmaceuticals, had not been touched, Mr Sethi stated that while it could not be denied that the price increases would have "some impact" on prices of all other commodities, it was felt that such an impact would, in the long run, be "outweighed by the positive aspects of the measure."

The minister told Mr Ashwani Kumar (BJP) and Mr B. Satyanarayana Reddy (Lok Dal) that reports from the agriculture ministry, which regulated fertiliser distribution, indicated that there was no fall in the use of fertilisers by farmers and that the crop prospects were good.

In his statement, Mr Sethi said the price increase in the domestic crude oils was justified in the larger context of a rational structure of energy prices which reflected their true costs, encouraged economic use of energy and promoted replacement of scarce fuels.

The minister stressed the need to reduce consumption of petroleum products as the country depended on imports for two-thirds of its requirements.

He said the government was conscious that the burden of balance of payments could not be alleviated merely by moderation of domestic consumption and, accordingly, it had undertaken an accelerated programme of oil exploration and production.

Mr Sethi said the reason for raising fertiliser prices was the increase in the cost of inputs of domestically-produced fertilisers as well as in their distribution cost and the consequent need to contain the burden of subsidy which amounted to Rs 450 crores.

The government had taken a number of additional measures such as directing the agricultural prices commission to take into account the increased prices of fertilisers while recommending support prices and continuing the existing subsidies on fertilisers to small and marginal farmers under the integrated rural development scheme.

The minister explained that underpricing of indigenously-produced crude oil was responsible for the low prices of petroleum products. This had now been rectified.

UNI adds: Mr Sethi said that there was a proposal to import industrial alcohol to offset shortages faced by the industrial units in the country.

He told Mr P. Ramamurthi (CPI-M) that the shortage was due to diversion of molasses for the manufacture of potable alcohol in the wake of several states relaxing prohibition. He admitted that potable alcohol was getting an "upper hand" over industrial alcohol.

Mr Ramanand Yadav (Cong-I) urged the government to bring down the prices of petroleum products to check the rise in the prices of other essential commodities.

CSO: 4220/7582

ANALYSIS OF 1981-82 UNION BUDGET PUBLISHED

New Delhi PATRIOT in English 18 Aug 81 p 8

[Text]

THE Central Government's consumption expenditure will go up this year by over Rs 750 crore and the net savings of the Central Government and its departmental undertaking will continue to remain negative at a higher figure of Rs 142 crores, according to an analysis of the Union budget for 1981-82 published by the Finance Ministry, reports PTI.

However, the Central Government's direct gross capital formation would increase to Rs 2,362 crores on the basis of the 1981-82 budget estimates as compared to Rs 1,817 crores in 1980-81.

The total financial provision for gross capital formation, both direct and indirect, out of the Centre's budgetary resources in 1981-82 would be Rs 10,110 crores compared with Rs 9,142 crores in 1980-81 (revised estimates).

The total expenditure of the Central Government, a budgeted for, shows a rise of 8.15 per cent. It is estimated to increase from 22,575 crores in 1980-81 to Rs 24,410 crores in the current year. Last year's total expenditure, according to the revised estimates, showed a sharp rise of 22 per cent over the accounts for 1979-80.

Of the total expenditure, Government consumption expenditure is Rs 5,837 crores, gross capital formation Rs 2,362 crores transfer payments to the rest of the economy Rs 9,188 crores and financial investments and loans Rs 7,923 crores. The

growth in consumption expenditure (i.e. expenditure on wages and salaries and commodities and services) works out to 15 per cent in 1981-82 as against 12.7 per cent last year.

Although the net capital formation increased from Rs 1,516 crores last year to Rs 1,832 crores in 1981-82, the net savings will remain negative for the third year in succession—Rs 19 crores in 1979-80, Rs 52 crores in 1980-81 and Rs 142 crores in 1981-82. The deficit in the income of the Central Government as measured by the excess of net capital formation over the net savings, increased from Rs 1,297 crores in 1979-80 to Rs 1,568 crores in 1980-81 and further to Rs 1,974 crores in 1981-82.

The total requirements of finance on account of deficit on all transactions in commodities and other services and net increase in financial assets comes to Rs 8,574 crores. These requirements will be met by Rs 7,035 crores of net borrowings (both internal and external) and budgetary deficit of Rs 1,529 crores in 1981-82.

Two major items for which credit is taken are external credits Rs 1,000 crores and collections through special bearer bonds Rs 800 crores. The last item is unlikely to be realised.

BILL TO ESTABLISH EXPORT-IMPORT BANK INTRODUCED

New Delhi PATRIOT in English 18 Aug 81 p 5

[Excerpt] Finance Minister R. Venkataraman on Monday moved a bill in the Lok Sabha seeking to establish a corporation known as Export-Import Bank of India.

Explaining the objective of the bill Mr Venkataraman said the bank would strengthen and broad-base existing institutional arrangements to meet international trade requirements.

Besides functioning as the principal financial institution it would coordinate the working of similar institutions. It would also undertake the functioning of limited development and merchant banking in relation to export-oriented industries.

The Exim Bank would be a statutory corporation fully owned by the Government. Its resources will mainly comprise contributions from the Government in the form of grants and loans, market borrowings, long term deposits from the public and short-term and long-term funds of the Reserve Bank of India.

The authorised capital of the bank will be Rs 200 crores. Its issued capital will be subscribed wholly by the Centre.

The bank will have its head office in Bombay or such other place as the centre may, by notification, specify.

CSO: 4220/7580

LOK SABHA PASSES EXPORT-IMPORT BANK BILL

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Bombay THE TIMES OF INDIA in English 19 Aug 81 p 13

[Text] New Delhi, August 18 (UNI)--The Lok Sabha today passed the Export-Import Bank of India Bill, 1981 with a minor amendment moved by the finance minister, Mr R. Venkataraman.

The amendment to clause 41 came up during the clause-by-clause consideration, Mr Venkataraman suggested substituting the words "...date of commence of this act" with "date on which it receives the assent of the President."

Denying opposition criticism that the bill appeared to be dangerous as it was armed with wide-ranging powers, Mr Venkataraman said this was one of the measures necessary to strengthen the country's economy.

The finance minister said it was wrong to say that joint ventures were uneconomic.

In the long run the returns from joint ventures would far outstrip the investments. He said he was aware of any joint venture incurring a heavy loss.

Speaking after Mr Maganbhai Barot's reply, Mr Venkataraman assured the members that cash assistance and subsidy given to exporters would not be withdrawn following the establishment of the bank.

During the general discussion on the bill, the former minister of state for finance, Mr Satish Agarwal (BJP), wanted the government to do away with all cash assistance and subsidy to the exporters as the proposed Exim Bank would be a nodal point for providing all assistance, both financial and technical.

Mr Venkataraman explained that the government could not do this because the balance of payment position was very difficult. Unless concerted efforts were made for stepping up the exports, the balance of payment position could not be improved.

CSO: 4220/7582

INDUSTRIAL DEVELOPMENT BANK REPORTS OPERATIONS

Madras THE HINDU in English 23 Aug 81 p 6

[Text] Bombay, Aug. 22--The Industrial Development Bank of India in its report on development banking in India 1979-80 says the aggregate sanctions of the financial institutions increased almost eight-fold from Rs. 254 crores in 1970-71 to Rs. 1906 crores in 1979-80. Disbursements during this period rose from Rs. 160 crores to Rs. 1204 crores.

The report attempts to present a review of the operations, during the fiscal year 1979-80, of the All-India term lending and investment institutions and regional development banks and says cumulatively up to the end of March 1980, the financial institutions approved assistance of Rs. 9136 crores of which a sum of Rs. 6265 crores has been disbursed.

During the last few years, disbursement of institutional assistance has in fact been several times the funds the corporate sector could mobilise from the capital market.

Assistance sanctioned to high priority industries increased from Rs. 967 crores in 1977-78 to Rs. 1028 crores in 1978-79 and further to Rs. 1415 crores. As at the end of March 1980, about 81 per cent of the assistance has gone to high priority industries such as textiles, machinery, sugar, paper and basic chemicals.

Assistance sanctioned to industrially less-developed areas increased substantially from Rs. 460 crores in 1976-77 to Rs. 842 crores in 1979-80. The share of backward areas in the aggregate assistance as at the end of March 1980 stood at around 37 per cent.

During the Seventies, the financial institutions, have started extending sizeable financial support to public sector projects. Assistance sanctioned to these projects increased from Rs. 14.3 crores in 1970-71 to Rs. 170.5 crores in 1979-80. As at the end of March 1980, assistance aggregating Rs. 856.8 crores has been extended to public sector projects.

Besides providing financial support, the development banks have also taken upon themselves the responsibility of identifying and training entrepreneurs, conducting industrial potential surveys and providing cheaper consultancy services. The

three major all-India institutions (IDBI, IFCI and ICICI) have so far, established, in collaboration with banks and State-level agencies, 13 technical consultancy organisations, catering particularly to the consultancy needs of new entrepreneurs.

Industrial potential surveys of all backward regions have been completed and these have identified several projects suitable for location in these regions based on availability of raw materials, labour and other infrastructure facilities. All these activities have made a distinct though modest, contribution to the industrial development process in the country.

CSO: 4220/7604

SURVEY REPORTS NATIONAL INCOME UP BY 7 PERCENT

Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 9

[Text] New Delhi, Aug. 22--The national income has increased by about 7% in 1980-81 despite a 5% decline in 1979-80, according to official sources here. This was calculated by the National Survey Organization on the basis of an exercise carried out with limited data on agricultural and industrial production and a mathematical model which divides the national economy into three sectors--primary, secondary and tertiary.

During 1979-80, the national income declined by 5% to Rs 44,328 crores from Rs 46,636 crores in 1978-79. This resulted in a fall of 6.8% in per capita income because of an overall estimated increase of 2% in population.

For calculating the national income for 1980-81 the increase in population, as revealed by the 1981 provisional census data, was taken into account.

The sources said that the high percentage of growth in 1980-81 was largely on account of the low level of national income in 1979-80, when the overall agricultural production had registered a fall of 12.7%.

In the economic survey of 1980-81, the anticipated growth rate for 1980-81 was indicated as 6.5%. However according to the present estimate of NSSO this might be slightly higher following a higher growth in industrial production.

Details about agricultural production were not fully available during 1980-81. Therefore, the growth rate could not be translated into absolute terms. However, a rough estimate of 7% rise in national income, higher agricultural production in 1980-81 has been assumed.

CSO: 4220/7602

GANDHI REMARKS ON NATIONAL SECURITY CLEAR CONFUSION

Bombay THE TIMES OF INDIA in English 21 Aug 81 p 8

[Editorial]

[Text] Mrs. Gandhi has done well to use the question time in the two houses of parliament to put in perspective the problems of national security caused or accentuated by the U.S. decision to arm Pakistan with highly sophisticated weapons. Not all the important implications of this vital issue could be covered because the interpolations were unavoidably brief. But some cobwebs of confusion have been cleared. For instance, the Prime Minister has nailed the bogey, raised with remarkable persistence by some, that there is a contradiction between this country's criticism of the proposed supply to Pakistan of F-16 super sophisticated warplanes and the statement in an earlier Indo-Pakistan joint statement that every country has a sovereign right to acquire weapons for legitimate self-defence. To introduce in the sub-continent's skies a new and higher level of technology for aerial offensive is not to meet legitimate defensive needs especially when, on Pakistan's own admissions, the F-16s are not meant to be used against either the Soviet Union or Afghanistan. Similarly, Mrs. Gandhi's warning about the danger of this country being "trapped" in Pakistani propaganda ploys has not come a day too soon. Indeed, the manner in which the subject of much-trumpeted Pakistani proposal for mutual reduction of forces was introduced by a Congress (I) member, Mr. Madhavrao Scindia, only underscores the need for caution and care. For he unwittingly talked of a "lower level military balance" creating the misleading impression as if a new suggestion had come from Islamabad.

What Pakistan has in fact been suggesting from time to time is that military commanders of the two sides should jointly determine the force levels to be maintained by the two countries. Quite apart from the fact that mutually balanced force reductions are usually discussed between nations or groups which are nearly equal, Pakistan has been repeatedly and politely told that it cannot possibly ask for a say in what level of defences India should maintain along with its border with other neighbours far away from Pakistan. Even the limited question of deployments along the Indo-Pakistan border can be discussed only after the two countries have arrived at a political understanding and established agreed and secure borders. To reverse the process at Islamabad's behest would be to put the cart before the horse, as Mr. Swaran Singh had occasion to tell Gen. Zia-ul-Haq more than a year ago. Since then the talk of mutual force reduction has become even more meaningless in view of the renewed U.S.-Pakistan military relationship, the tensions it has generated in the region and the escalation of anti-Indian propaganda by Pakistan.

PARLIAMENT CONTINUES TO DISCUSS DEFENSE PROBLEMS

Madras THE HINDU in English 21 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug 20--The Prime Minister, Mrs. Indira Gandhi, assured Parliament today that the Government would carefully watch all developments affecting the country's security and take timely steps to ensure full defence preparedness at all times, in an obvious reference to the U.S. policy of rearming Pakistan.

The Rajya Sabha was told earlier by the Minister of State for Defence, Mr. Shivraj Patil, that "all developments across our borders are closely monitored and our defence plans take into account all developments" while answering a spate of questions on the arms build-up in Pakistan.

But Mrs. Gandhi clarified that there were no reports of any unusual activity on the Pakistani or Chinese side. She was utilising this opportunity to dispel the impression created by a recent news agency story that Pakistan had massed 350,000 troops on the Western front.

In making this clarification she was indirectly drawing a distinction between the rapid increase in the strength of the Pakistan Army which was mostly deployed on the Indian borders and the reported massing of troops which was quite different. The Pakistan Government had protested strongly against this report which failed to draw this distinction.

As Minister in charge of Defence, the Prime Minister has been frequently intervening during the question-hour to answer important supplementaries after the Minister of State, Mr. Patil, had replied to the main questions. For the second day today members in both the Houses voiced their concern at the U.S. bid to rearm Pakistan.

The subject came up in different forms, through both starred and unstarred questions dealing with the defence and foreign policy aspects of the arms build up in Pakistan.

The External Affairs Minister, Mr. P. V. Narasimha Rao, who answered some of these questions in the Lok Sabha, said that this unfortunate development would hamper the process of normalisation of Indo-Pak relations.

After referring to his visit to Pakistan, Mr. Rao made an oblique remark in the context of his recent talk with the U.S. Secretary of State, General Alexander Haig, that his efforts had met with some response, although he did not spell out the outcome of these efforts.

Nothing to fear from India: He had gone to Pakistan with a clear message that India sincerely wanted to establish a relationship of trust, confidence and friendship on the basis of sovereign equality and that its decision to acquire arms from the U.S. beyond its legitimate requirements would come in the way of normalisation.

He had made it equally clear to the U.S. that Pakistan had nothing to fear from India which was genuinely interested in the stability and integrity of this neighbouring nation.

The Minister of State for Defence dealt with a number of questions on the U.S. decision to supply F-16 aircraft to Pakistan.

He said India would take effective steps to meet the situation. It would not be in public interest to divulge these steps, he said while assuring that the Government was fully aware of the serious implications of the induction of these aircraft into Pakistan.

He said that the Pakistan's arms deal with the U.S. included supply of tanks, armoured personnel carriers, aircraft, helicopters, artillery, air defence systems, anti-tank weapons, destroyers and naval missiles.

Mirage deal: He said no final decision had been taken about the purchase and manufacture of Mirage 2000 aircraft from France. Though he did not disclose any details, it was widely known that the negotiations for the acquisition of these aircraft were now in the final stages.

The former Defence secretary, Mr. K.P.A. Menon, was to have gone to Paris early this month to finalise the deal, but the Government decided that he need not go since he was due to be removed from this post. But there will be further talks on the issue during the French Foreign Minister's visit to Delhi this weekend.

The Government is still hoping that there might be some rethinking on the part of the U.S. following the strong representations made by India against the policy of rearming Pakistan.

And it is for this reason that the well-formulated replies given by Mrs. Gandhi and Mr. Narasimha Rao today to a wide range of questions gave the impression that India had not given up all hopes that the U.S. would reconsider its actions.

CSO: 4220/7592

U.S. 'ANXIETY' TO GIVE PAKISTAN F-16'S SCORED

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 8

[Editorial: "F-16s on the Quick"]

[Text] There is no longer any room for doubt about the Reagan administration's anxiety to hasten the supply to Pakistan of the super-sophisticated F-16 warplanes. This much has been made clear by the U.S. under-secretary of state for security assistance, Mr James Buckley, who is also the principal American negotiator on military supplies and support to Pakistan. Interestingly, he has chosen to make his statement not in Washington or Islamabad, but at Bangkok where he had gone to discuss Thailand's needs for U.S. military aid. The timing of the statement is also significant, coming as it does a week before the arrival in Islamabad of the Soviet deputy foreign minister, Mr Firyubin. Doubts about the delivery of F-16s to Pakistan had arisen last month when a high-level Pakistani defence delegation returned from Washington without any firm American commitment despite an earlier announcement that some F-16s would be handed to Pakistan on a cash-and-carry basis before the end of this year. Apparently inspired reports in American newspapers suggested at the time that uncertainty had been caused by Pakistan's inability to raise the necessary cash from its Islamic friends on the one hand and by continuing differences in the Pakistani and American pronouncements on the scope of the renewed U.S.-Pakistan military relationship on the other. While the U.S. insisted that military support and economic aid to Pakistan were an integral part of a "strategic consensus" in the region to counter the Soviet presence in Afghanistan, Pakistan declared repeatedly that there was no such agreement. It also went on to add that it would not act as a conduit for the supply of arms to Afghan rebels--an important American interest which has indeed been used by the Reagan administration as an argument to justify the resumption of arms supplies to Pakistan despite the latter's clandestine pursuit of nuclear capability.

All this naturally created the impression that the Americans were perhaps dragging their feet on the early supply of F-16s in order to come to a clear understanding with Pakistan on their joint strategic aims. But Mr Buckley has indicated that Washington has not been engaged in such delaying tactics. On the contrary, the Reagan administration is trying to accelerate the supplies of F-16s to Pakistan even if it means "pushing out" of the queue other U.S. allies desirous of acquiring the aircraft or bypassing the demands of the U.S. air force itself! Mr Buckley's words are bound to be music to Pakistani ears.

REAGAN CALLED 'IRRELEVANT' TO DECISION PROCESS

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 8

[Editorial: "Does Mr Reagan Exist?"]

[Text] It is truly extraordinary that President Reagan should not have been informed for six long hours of last Wednesday's air clash over the Mediterranean resulting in the shooting down of two Libyan fighters by American planes. It is difficult to recall another instance of this kind in recent times not only in respect of the American president but also of any other head of government. But it is not altogether surprising that President Reagan's top aides in the White House should not have wanted to disturb his sleep--it was about 1.20 a.m. in California when the clash took place--not only because they are so solicitous about his health but also because he is so irrelevant to the process of decision-making, however vital and critical the decisions. While Mr Reagan is content to reign his aides love to rule, of course in his name. That is why he can be away from Washington for about a month and stay on his ranch in California from August 6 to September 3. This fact of his irrelevance is so well known by now that writing for THE TIMES, London, a British commentator, Henry Fairlie, recently raised the question whether "Mr Reagan exists at all."

There is no doubt that Mr Reagan is widely admired and loved. On the face of it, he is also formidable. He has just pushed through Congress a budget and tax cuts which reverse the policies of the last two generations, that since Franklin Delano Roosevelt was elected America's president in 1932 and launched the new deal (welfare capitalism). He held his own at the rich man's summit at Ottawa and he has dismissed 11,000 air controllers, leaving other democratic governments facing similar demands from well-paid public servants wondering at his audacity. But in all this he has been a mere figurehead. His aides have fought his battles. They have brought him to claim credit for the victory after the battle has been won. As Fairlie has put it: "Seldom has a president's staff been so loyal to their chief. They will protect him. They will make him look good. They will put him on television when the battle is won. They will serve him up on a plate. They will be the lightning conductors, and send him as a ray of sunshine when the storm is over. As long as their President does nothing, thinks nothing, is nothing, they are content that people should like him."

CSO: 4220/7596

LIBYAN PLANE INCIDENT 'CALCULATED TERRORISM'

New Delhi PATRIOT in English 21 Aug 81 p 2

[Editorial]

[Text] Mr. Ronald Reagan's past as a cowboy actor is no longer a subject of merry banter. The man elevated to the position of US President is acting in real life like a sharp-shooter. The shooting down of two Libyan aircraft by US navy planes was a calculated act of terrorism, approved of by the President. His war department, known as the Pentagon, trotted out the ready excuse that the Libyan planes fired first at the powerful American jets which had taken off from the aircraft carrier "Nimitz". Libyan spokesmen, on their part, rejecting the US allegation, asserted that their planes were on a routine inspection flight when they were attacked by eight American aircraft. Such a dispute is never decided on the basis of irrefutable evidence, but the benefit of the doubt goes to the Libyans against the background of circumstantial evidence which is plentiful.

Libya is in no position to challenge the US navy and aircraft, commanding the Mediterranean countries; any armed action on its part will be suicidal. A week before the incident a well-known American newsmagazine said that after months of debating how to "neutralise Muammar Gaddafi, the Reagan administration this week will offer its first direct challenge to the Libyan strongman". This was the prelude to the Sixth fleet manoeuvres off the Libyan coast in the Gulf of Sidra, which Mr Gaddafi claims to be Libyan territory. As regards the Libyan claim, Republican Senator Larry Pressler told reporters that twice in the past two years the United States had recognised the area, at least informally, as being Libyan waters. He added that US military manoeuvres "very well might have been provocation". Two weeks ago the UN Libyan mission informed the Security Council President that the US jointly with Israel, Egypt and Sudan was planning military aggression against their country.

The US provocative manoeuvres near the Libyan coast and the naval and air piracy evidently fall into Mr Reagan's pattern of limited wars and blackmail of nations which refuse to accept his tutelage. It is not an isolated case in view of his obvious strategy in West Asia, South Asia and South-East Asia, in the Indian Ocean and the Central American countries. The Pentagon has promised and is giving massive military aid to Guatemala against El Salvador, to Honduras to threaten Nicaragua and to Pakistan against India. Resumption of supply of the most sophisticated war planes (F-16 and F-15) to Israel has been announced and in collaboration with Peking, Thailand is quietly being armed to threaten Kampuchea and Vietnam. And in

all these regions Pentagon is seeking new war bases and strengthening its old bases like Diego Garcia. Mr Reagan has taught a lesson to Libya and is preparing to punish other recalcitrant countries so that they recognise American might and join Washington in its fight against Moscow and learn to curb their urge for unfettered economic and social advance. Let all men see that the US President is giving free rein to his war horse. The arrogant warrior is following his destiny careless of the havoc he causes and tragically unaware of the ever growing opposition he is building up, which will ultimately defeat his purpose. The Arab and Iranian denunciation of his adventure in Libya is a straw that shows how the wind is rising against him.

CSO: 4220/7593

FOREIGN MINISTER ANSWERS QUESTIONS IN RAJYA SABHA

Calcutta THE STATESMAN in English 22 Aug 81 p 9

[Excerpt] New Delhi, Aug. 21--The External Affairs Minister, Mr P. V. Narasimha Rao, deplored in the Rajya Sabha today the U.S. decision to go ahead with the full production of enhanced radiation weapons (the neutron bomb) capable of being launched by Lance missiles as well as artillery shells, reports UNI.

India, he said in a written answer, "regrets any decision or action on the qualitative improvement of nuclear weapons systems which would tend to lower the threshold for the actual use of nuclear weapons. The decision of the U.S. Administration to produce enhanced radiation weapons falls within this category."

India-China Trade: Mr Narasimha Rao said there was a "gradual and steady" increase in the trade between India and China. He however, said the commodities exchanged were rather limited. Since the resumption of trade with China in 1977, a number of delegations had been exchanged. From the Indian side, delegations representing FICCI, MMTC, STC and individual business men had been visiting China.

Political Refugees: The Government is taking steps against travel agents who promise to send Indians, specially Sikhs, to Canada in the garb of political refugees, Mr Narasimha Rao told the Rajya Sabha. He declined to disclose the names of the travel agencies involved since the matter was still under consideration.

CSO: 4220/7597

INTELLIGENTSIA PARLEY DISCUSSES FOREIGN POLICY

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 4

[Text] Bombay, August 22--The U.S. proposal of arming Pakistan was not calculated to preserve democracy but to demolish it, said Mr. A. R. Antulay, chief minister of Maharashtra, here today.

Inaugurating the two-day convention of the intelligentsia organised by the All-India Conference of Lawyers, Mr. Antulay said that India was a bastion of democracy and one of the few in the third world to practice that ideal form of government.

The U.S. arming of Pakistan was a serious threat to India. If the U.S. was sympathetic to Pakistan, it should offer the people of that country bread and not weapons, he said.

Describing the prevailing situation as "grave," Mr. Antulay said that if people stood unitedly behind Mrs. Indira Gandhi, their integrity and sovereignty could be easily protected.

"God's Gift"

India's democratic traditions had taken deeper roots under the leadership of Mahatma Gandhi, Mr. Nehru and now Mrs. Gandhi, he said.

He described Mrs. Gandhi's leadership as God's gift to India. "Let us exploit it to the hilt", he exhorted the 3,000 delegates to the conference who punctuated the chief minister's emotional speech with resounding applause.

He said democracy could not be established in Pakistan because that country did not have the kind of leaders India was blessed with. All other respects--historical and cultural--were common to the two countries.

"Personally speaking," Mr. Antulay said, "the partition of the country had done more harm to the sub-continent than anything that happened for 100 years."

He said India sought friendly relations with Pakistan. "Our foreign minister, Mr. P. V. Narasimha Rao speaks better Urdu than some Pakistanis," he said to drive home the common heritage the two nations shared.

Mr. Antulay said that for democracy to take deeper roots, the upliftment of the poor was necessary. Every institution should be oriented to the needs of the 80 per cent poor in the country. If only the last man enjoyed the benefits of democracy, the institution could be strengthened, he stated.

Mr. Madan Bhatia, chairman of the conference, said the intelligentsia had a tremendous capacity to influence policy-makers although it had no lovers of power to operate. The convention of the intelligentsia was the first of its kind and was intended to organise the opinion-shaking section of the public to focus on executing national tasks. The time had come for all people to sink their differences and stand united under Mrs. Gandhi's leadership, he said.

Prof. Ronald Muller, an American economist and political analyst, described the Reagan administration's military support to Pakistan as a dangerous step. According to him, Pakistan was being armed beyond the needs of defence. That country's strike capability was being enhanced rather than the defence, he pointed out.

He wanted the superpowers to cut down the \$400 billion defence budget and spare resources for the economic development of the world.

Another foreign guest, Mr. Felix Bandaranaike of Sri Lanka, said the message of the Indian intelligentsia could mould the opinion of the intelligentsia in the U.S. and thereby bring about a reversal of the policy of arming Pakistan, which also posed a danger to his island country.

The convention later adopted a resolution urging up the people to unite regardless of their political affiliations and convictions.

It further expressed the opinion that the politics of agitations was wholly irrelevant in parliamentary democracy since it carried seeds of destruction.

The resolution has described as unwarranted the organisation of bandhs, political strikes, lock-outs, agitations, character assassination, obstructive political tactics to frustrate the policies of a duly elected government. Such activities could not be countenanced under the constitution which gave the right to a party elected by the people to govern for five years, more so at a juncture when the country's independence was threatened.

In a declaration issued at the end of the first day's deliberations, the convention has stated that the U.S. administration's supply of sophisticated weapons was part of a grand design of policing the entire region of Asia and using Pakistan as its base.

The massive supply of weapons was aimed against India because the Pakistani leaders had openly declared that they apprehended no threat from the Soviet Union. The sinister motive of the U.S. was further strengthened by the fact that it was made with full consciousness and apparent endorsement of Pakistan's feverish efforts to acquire a nuclear bomb. The U.S. decision was calculated to destabilise India.

Peace in the sub-continent could only be secured if the people of the two nations were left to develop their bonds and goodwill.

TWO SENTENCED FOR SPYING FOR PAKISTAN

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 13

[Text] Jullundur, August 22--The additional sessions judge, Mr. H. S. Luna, has sentenced two persons, Harbans Lal alias Pammi and his brother Sunder Lal, to ten years' rigorous imprisonment each for having acted as Pakistani spies during the course of their smuggling activities.

They were arrested on June 21, 1980, near Bidhipur while they were coming from Amritsar to Jullundur on a stolen scooter.

The police, it was claimed, had recovered from their possession some maps of military installations, a list of some military officers and other documents in addition to ten kilos of illicit opium and two unlicensed pistols.

The trial was held in camera for the most part.

The court convicted the accused of smuggling illicit opium and other banned articles and sentenced them on this charge to two years' rigorous imprisonment each. They were also sentenced to three years' rigorous imprisonment each for being found in possession of illicit arms and stolen goods. All the sentences would run concurrently.

CSO: 4220/7600

INDIAN, PAKISTANI MILITARY STRENGTH COMPARED

Madras THE HINDU in English 23 Aug 81 p 2

[Text] One of the great deceptions of modern diplomacy is to talk of peace while preparing for war, or accuse others of aggression while attacking them. It is not just the present genre of power-oriented politicians or pocket dictators swayed by overpowering ambitions that engage in this slick dissimulation. The pre-historic mankind, which had no more than stones or spears to fight with, also resorted to such impostures.

The earliest advocate of disarmament was Buddha, who started preaching non-violence when he realised the futility of the use of force. But the generations that followed evolved their variants for gaining tactical advantage by abjuring violence, when the desired objectives could not be achieved through warfare.

The very concept of war has undergone radical change over the centuries with the result that it is difficult to distinguish today between an unabashed warmonger and an ardent votary of peace.

The complexities of modern military thinking are such that politicians see no harm in talking of non-aggression pacts while aspiring for military alliances, no-war declarations while preparing for wars, joint defence agreements while lining up with rival power blocs, or balancing reduction of arms while seeking the latest weapons. The technical and industrial organisation required for war is so great under present-day conditions that even in peace time a modern State has to be geared to war to deny a potential enemy any tactical advantage.

Reduction of Forces

The latest Pakistani proposal for a mutual reduction of forces has to be viewed against this international background blurring the dividing line between war and peace. As the Prime Minister, Mrs. Indira Gandhi, said in Parliament, one has to be wary of any such suggestion if only to make doubly certain that India does not get "trapped" into it without realising the fuller implications.

In the chequered history of Indo-Pak. relations, it is not the first time that this idea of a mutual reduction has been mooted to divert world attention from the rapidly changing military balance in the sub-continent. It is part of a well orchestrated propaganda campaign that a country of India's size and resources had nothing to fear from a truncated neighbour like Pakistan.

It was Liaquat Ali Khan who first talked of a no-war or non-aggression pact between India and Pakistan after the settlement of the Kashmir problem. The Indian plea that the two countries could abjure the use of force as a starting point for such an agreement was turned down by Pakistan on the ground that it should follow and not precede a Kashmir settlement.

Later Gen. Ayub Khan came forward with the suggestion of joint defence, which provoked Nehru to ask against whom? It did not make much sense since Pakistan was fully aligned with the U.S. and was receiving military assistance under the guise of containing Soviet expansionism. Though its relations with China were strained by that time, India could not visualise the prospect of Pakistan coming to its rescue in the event of a Sino-Indian conflict over the border dispute.

Twin Threat

As expected, Pakistan moved closer to China after 1962 posing the threat of a Sino-Pak. collusion which compelled India to strengthen its links with the Soviet Union in the wake of the worsening Sino-Soviet relations. The defence experts in India had to contend with the possibility of Chinese intervention during the 1965 and 1971 wars with Pakistan. The mere fact that it did not happen on the last two occasions does not, in their opinion, preclude the threat altogether, if there was no marked improvement in Sino-Indian relations.

The thinking of the Indian service chiefs is conditioned by these strategic considerations, which call for the continued maintenance of the present preparedness to cope with the possibility of a war on two fronts, however, remote it may seem at present.

The idea of a mutual reduction of forces was mooted formally by the Pakistan Foreign Minister, Mr. Aga Shahi, when he visited Delhi during the Janata rule. He wanted to allay India's apprehensions about the rapid expansion of Pakistan's armed forces with this offer of a joint limitation on the Western Front.

The idea was pursued subsequently in a more active form by the U.S. after the Soviet intervention in Afghanistan. The former U.S. Defence Secretary, Mr. Clark Clifford, who was sent by President Carter to talk to Mrs. Gandhi suggested the withdrawal of an agreed number of divisions on either side to enable Pakistan to redeploy them on the borders with Afghanistan.

It was recently revived by Gen. Zia in the course of his talk with the Indian envoy, Mr. Natwar Singh, as a talking point for the proposed Indo-Pak. summit meeting on which he had set his heart for enhancing his prestige.

Alternative Approaches

The Indian approach was that before the two countries could agree on a balanced reduction consistent with their respective defence requirements on other fronts, they could agree on a mutual renunciation of the use of force for settling their disputes. This concept which could be formalised into a no-war pact was implicit in the Tashkent declaration and made more explicit in the Simla agreement.

But the Pakistani view was that it should follow and not precede a reduction of force levels consistent with the Tashkent and Simla accords that left the door open for a final Kashmir settlement. The two sides never got down to a serious discussion on the two alternative approaches for improving Indo-Pak. relations.

But all the Pakistani platitudes cannot conceal the disturbing reality that after the 1971 conflict it has almost doubled its military strength. It has increased the number of infantry divisions from 10 to 19 besides two armoured divisions, corps headquarters three-to-eight, independent armoured brigades two to four, independent artillery brigades three to five, armoured regiments 23 to 33, artillery regiments 67 to 107, air defence regiments 15 to 36, anti-tank battalions two to four, army aviation corps 125 to 188, aircraft and armoured personnel carriers 300 to 978.

The regular army strength of some 3,50,000 men is supplemented by para military formations like the Frontier Corps guarding the Afghan border, Pak. rangers and Jinbad (do or die) battalions and other Mujahids stationed on India's borders with a total strength of 3,00,000 men.

New Weaponry

In addition to the four squadrons of F-16 aircraft, Pakistan is trying to obtain from the U.S. about 500 new and refurbished tanks to add to its present fleet of 1,600, a similar number of armoured personnel carriers, 500 to 600 artillery pieces, 1,000 to 1,200 anti-tank guided missiles, 30 to 50 helicopter gunships and a lot of other sophisticated equipment for night operations.

The new weaponry that Pakistan is acquiring from the U.S. is intended to not only replace the older equipment of some of its existing army divisions but also raise three to five more infantry divisions to increase its total strength in the next two or three years from the present 19 to at least 22 to gain a marked superiority on the Western front.

The strength of the Indian Army has been increased in the comparable period on a relatively much smaller scale. The number of infantry divisions have been stepped up from 25 to 29, armoured divisions one to two, corps headquarters five to eight, independent artillery brigades three to four, armoured regiments 28 to 38, artillery regiments 122 to 147, air defence regiments 21 to 26, anti-tank battalions one to two and armoured personnel carriers 497 to 717. The para military formations on the Indian side consist of only 1,00,000 men, although the Army has a strength of roughly 8,50,000 men.

Rough Parity

It is not without significance that Pakistan has deployed out of its 19 infantry and two armoured divisions, only four on the Afghan borders stretching from NWFP to Baluchistan to face the nine Soviet divisions in Afghanistan. It has one division in the Gilgit area and another two in the Karachi region.

The remaining 12 infantry divisions and two armoured divisions along with the whole paraphernalia of independent armoured and artillery brigades and regiments are on the Indian front along Jammu and Kashmir, Punjab and Rajasthan.

The main tactical advantage that Pakistan has over India is that most of these infantry divisions are permanently located in cantonments close to the border and in the event of another conflict they could march out in battle formation.

The Indian Army, on the other hand, has 12 divisions out of its total 29 permanently stationed along the northern borders, while another three are in the North-East region. It has deployed only 10 divisions, besides the two armoured divisions, on the Pakistani borders and kept the remaining four in reserve.

There is thus a rough parity of force levels between India and Pakistan on the Western front, which gives Pakistan the capacity to launch surprise attacks in corps strength at one or two places, although India will be able to retaliate at other points.

The Indian Army cannot agree to a reduction of force levels only on the Western front without an over-all decrease in the total strength of the two armies after taking into consideration their additional commitments on the Chinese and Afghan fronts on the basis of their existing deployments.

The Chinese have at present only seven infantry divisions plus some independent battalions in Tibet, but they have the logistical capacity to bring in twice or thrice this number in a matter of weeks from central and southern China without weakening their strength on the Soviet front.

The completion of the 800 km. long railway line from Sining to Gormo and the oil pipeline from Gormo to Lhasa gives them the capacity to supply and maintain 21 divisions (200,000 men) for 60 to 70 days and 40 divisions (400,000 men) for 30 to 40 days under war conditions.

There can be no serious discussion with Pakistan on a balanced reduction of forces without taking all these factors into consideration. The main Pakistani purpose in mooted this idea is to project itself as an eminently reasonable country while obtaining large supplies of sophisticated arms from the U.S.

The sad part of it is that many even in India have been falling prey to the Western propaganda that a big country like India with a population of over 650 million and a well established industrial base has nothing to fear from Pakistan with one-eighth its population.

The Indo-Pak. military situation can be put into its proper perspective by recalling how little Israel with a population of only four or five million has been able to browbeat the Arab countries with a total population of over 100 million.

CSO: 4220/7604

BASIC DESIGN OF SLV-3 BOOSTER ROCKET TERMED SOUND

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 5

[Article by L. K. Sharma]

[Text] New Delhi, August 17. No change has been envisaged in the basic design of India's four-stage rocket, SLV-3, which had deviated from its planned trajectory during the first developmental flight on May 31.

The rocket had put Rohini-II into orbit but the 36-kg satellite burnt up in nine days. This failure, according to a study of flight data gives no cause for doubting the soundness of the vehicles design. It is on this basis that the scientists of the Indian Space Research Organisation are preparing for the second developmental flight of SLV-3 slated for early next year.

According to official sources, the voluminous flight data analysed so far shows that all the four rocket motors performed correctly as designed and that all significant events such as ignition, separation of the stages, jettisoning of the heat shield and satellite injection took place at the appointed time.

An unplanned slow spin is seen to have developed around 63 seconds after the lift-off and continued to disturb the flight, resulting in a shortfall in the speed of about 6 per cent at the end of the second stage.

Nevertheless, the third and the fourth stages progressively made up for this, with the result that at the times of satellite separation the injection speed was barely one percent lower than desired and the injection angle was off by half-a-degree. This demonstrates the efficiency of the control system and the rocket motors.

What is significant, despite fairly severe lateral accelerations to which SLV-3 was subjected to, the vehicle not only held its own but successfully put Rohini into orbit. This has been a satisfying proof of the soundness of the vehicle design.

The vehicle took off with the first stage motor performing its job well, which it finished in 52 seconds after the lift-off at an altitude of 18 km. But before the first stage separation, the vehicle started spinning unexpectedly, yet the first stage separated as planned around 72 seconds.

Contrary to some early reports, the snag did not develop in the third stage. In fact, during the second stage, the unexpected spin continued to cause errors and at the burn out of the second stage, the speed was lower than planned by about six per cent. But by the time the third stage finished its job, the reduction in speed was partly made up and it was only three per cent lower than the designed value.

CSO: 4220/7576

CONTENT OF RAO, CHEYSSON DELHI TALKS REVIEWED

Madras THE HINDU in English 24 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug. 23. The French Foreign Minister, Mr Claude Cheysson, who arrived today on a two-day visit accompanied by a small team of political, economic and defence experts, had a detailed discussion with his Indian counterpart, Mr P. V. Narasimha Rao, on the general international situation.

Though they covered regional problems like Afghanistan and Kampuchea, and the resultant tensions in South and South-East Asia, the main thrust of today's discussions was on North-South economic issues.

The Indian side was quite satisfied that the views of the Mitterrand Government were more or less in line with India's thinking on many issues. It was particularly heartened to see that the Indo-French views on North-South dialogue were closer and that the two countries, representing the developed and developing worlds could work together to create a better atmosphere for the forthcoming Mexico summit.

The major bilateral issues, especially those relating to sensitive subjects like defence, will be dealt with during the discussions with the Prime Minister tomorrow before Mr Cheysson leaves Delhi. In any case, it is not the intention of either side finalise or sign any new agreements on this occasion.

The two Foreign Ministers agreed that problems like Afghanistan, Kampuchea or the Iraq-Iran war could be resolved only through political settlements. There could be no military solution to such issues without running the risk of wider conflicts involving the great powers which was unthinkable in their regional contexts.

There was no alternative, in their view, to negotiations, without any preconditions. It was the duty of all the powers concerned to help create the right climate for talks to pave the way for a peaceful settlement of all such regional problems which were posing a threat to world peace.

The visiting Minister explained at length the political policies and economic philosophies of the Mitterrand Government. He was happy to learn that there was greater understanding in countries like India of what the new French Government stood for than in some parts of the West.

PM's Paris trip: Mr Cheysson attached great importance to the visit of the Prime Minister, Mrs Indira Gandhi, to Paris later this year for talks with President Mitterrand to set the tone for closer and wider Indo-French cooperation. He gave the impression that his visit to Delhi was largely intended to prepare the ground for these higher level discussions.

At the banquet he gave in honour of the visiting French Minister tonight, Mr Narasimha Rao warned against the dangers of arming "fragile" Governments in sensitive regions in an apparent reference to the U.S. decision to resume military supplies to Pakistan. He also referred to the increasing great power rivalries in the Indian Ocean.

Detente: He said India and France could cooperate in restoring the spirit of detente on the global scene, as the world was rapidly drifting towards a new and unprecedented arms race, which would consume enormous resources leaving little for economic and social development.

Mr Narasimha Rao pleaded for a new international effort based on dialogue and realistic perceptions of the sources to present-day conflicts, whether in Asia or Europe, to end this tragic drift towards great power conflict and confrontation. He wanted France to utilise its influence with other big powers and play a helpful role in creating an atmosphere of conciliation.

Mr Cheysson in his reply spoke in an equal strain about the need for a global initiative to avert the dangers of escalation of regional conflicts into wider confrontations threatening world peace. He assured India that the present socialist Government in France was ready to do whatever was possible to avert the threat of a return to a bigger arms race to enable the developed and developing societies to utilise their resources for human welfare.

CSO: 4220/7606

SOVIET EXPERT ON SOVIET-INDIAN SCIENTIFIC CONTACTS

New Delhi PATRIOT in English 9 Aug 81 p 8

[Article by Leonid Yefremov, first vice-chairman of the State Committee of the USSR for Science and Technology]

[Text] Ten years of Soviet-Indian scientific and technological cooperation has imparted to it a dynamism that it has become one of the main directions in the cooperation between the two nations. Whereas in the late 60s, we only exchanged delegations of scientists and information, at present we are cooperating extensively and in many directions on the solid basis of inter-governmental and inter-departmental agreements.

In line with such agreements, the two countries' scientists and experts are successfully cooperating in such fields as space research, the uses of nuclear energy for peaceful purposes, anti-corrosion protection of metals powder metallurgy water resources and health protection.

In the 70s two Indian artificial earth satellites, Aryabhata and Bhaskara were put into orbit by Soviet rocket-carriers from the territory of the USSR. The design of the two satellites was worked out by Soviet and Indian experts. The USSR supplied solar and chemical batteries, on-board taperecorders and some other components.

Scientists from the two countries are successfully cooperating in the field of the MHD method, thanks to which thermal energy can be transformed into electrical on a large scale. The use of the MHD generators helps to save fuel: its efficiency is 10 to 20 per cent higher than that of a common steam turbine. Next year, specialists from the two countries will assemble and put into operation a jointly-designed experimental MHD installation in Tiruchirapalli.

In the field of meteorology, cooperation between the two countries began years ago. The exchange of meteorological information has been greatly improved, thanks to the reconstruction of the Moscow-Delhi communication canal. This makes it possible to build short-term weather forecasts, which is of great economic benefit to our two countries.

Soviet and Indian experts on agriculture are expanding and diversifying their cooperation. We have recently signed a working programme of cooperation in

land improvement work and water conservancy. Irrigation and amelioration work is of great importance for India. Soviet scientists are ready to share their experience and the latest achievements with their Indian colleagues.

In December 1980, during the visit to India by Leonid Brezhnev, the two sides signed an agreement on economic and technical cooperation. This agreement and the Long-Term Programme for Economic, Trade, Scientific and Technical Cooperation, which was signed in March 1979, provide for the expansion and deepening of our ties in traditional fields and for their development in some new areas.

CSO: 4220/7533a

SOVIET VISITORS LAUD INDO-SOVIET FRIENDSHIP

New Delhi PATRIOT in English 25 Aug 81 p 7

[Text] Bhatinda, Aug 24 (PTI)--The Soviet Vice-President B Yazkuliev, has reiterated that Indo-Soviet friendship was a guarantee of world peace against the danger of nuclear war.

The US declaration to manufacture neutron bomb and setting up of American bases in the Indian Ocean and West Asia were pointers in this direction, said Mr Yazkuliev speaking at village Behama Diwana about 10 km from here yesterday.

Mr Yazkuliev, who is also the President of Turkmenian Soviet Socialist Republic said following war efforts of imperialist countries the forces of peace should further unite.

He said Indo-Soviet friendship was aimed against none. 'It is mutually beneficial for peace, progress, economic and technological development of both the countries.'

He said the Soviet Union had put forward proposals to declare the Indian Ocean a zone of peace to ban manufacture of nuclear arms and destroy already produced nuclear weapons. But America was escalating war efforts by arming Pakistan and installing atomic weapons in the Arabian countries and the Indian Ocean.

Mr G D Yanaev Vice-Chairman of Soviet Union Friendship Peace Societies said the USSR was always prepared to give aid to India against any threat or danger to its security. America and China were pushing the world towards war but 'we will not allow our children to perish by neutron bombs' he declared.

He said it was for India and the Soviet Union to decide what type of aid they should give to each other. The Soviet Union had a similar friendship treaty with Afghanistan. Afghanistan demanded help from the USSR and it responded by sending its armies against imperialist intervention in that country.

He asked the people whether the Soviet Union should help India in its hour of crisis or not if India asked for it and himself replied 'we have been with you, are with you and will continue to be with you'.

The Soviet leaders were presented 'phulkaries' as a token of friendship by the village sarpanch.

RAO SPEAKS TO LOK SABHA ON OCEAN TALKS PROSPECTS

Bombay THE TIMES OF INDIA in English 21 Aug 81 p 6

[Excerpt] The prospects of an international conference on the Indian Ocean being held in Sri Lanka later this year is very much in doubt, the external affairs minister, Mr. P. V. Narasimha Rao, informed the Lok Sabha today.

He could not, for want of time, elaborate beyond stating that some powers, whose presence in the region India would like to avoid, were not likely to participate if the conference were called.

The minister said so in reply to a query which came up at the closing moments of question time. There could be no supplementaries.

The main question was put by Mr. Madhu Dandavate, who inquired about a speech by the Prime Minister during her visit to Kuwait in May, expressing concern over the growing power rivalry in the Ocean.

He also wanted to know the government's response to the strengthening of the American base in Diego Garcia and the reinforcing of Soviet air power in the region.

The minister said that he thought that the query related to the joint communique issued at the time of Mrs. Gandhi's visit to Kuwait and read out excerpts from it. But he promised to send to the member any other related details, if he so desired.

Zone of Peace

According to Mr. Rao, he got the impression, during his recent visit to New York, that prospects of the proposed conference had receded. Still, India would persist in its efforts to secure a satisfactory implementation of the U.N. declaration of the Indian Ocean as a zone of peace with the co-operation of like-minded states.

In 1971, the U.N. declaration envisaged "elimination from the Indian Ocean of all bases, military installations, logistical supply facilities, disposition of nuclear weapons and weapons of mass destruction and any manifestation of great power military presence."

The minister noted that the government of India had consistently opposed great power military presence in the Indian Ocean area in bilateral contacts as also at

various international and multilateral forums, like the United Nations and non-aligned meetings.

UNI adds: When Mr. Dandavate accused Mr. Rao of avoiding a specific reply to his question whether there had been change in India's stand on the subject as reflected in the statement which formed part of the communique, Mr. Rao said he could make available the copy of the speech by the Prime Minister on that occasion if that would satisfy the member.

CSO: 4220/7589

RAO QUESTIONED ON TAMILS IN SRI LANKA

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 15

[Text] New Delhi, August 21 (PTI): The external minister, P. V. Narasimha Rao, told the Rajya Sabha today that there was no truth in the news report that Sri Lanka was carrying out military exercise near India's shores.

He also informed the house that the situation in some parts of Sri Lanka hit by racial violence was gradually returning to normal.

Replying to points to Mr K. Kalavanasundram (CMP) on a calling-attention motion regarding racial violence and attacks on the Tamils of Indian origin in Sri Lanka, the minister said though the law and order was an internal affair of Sri Lanka, the government shared the concern of the members, over the attacks on Tamils of Indian origin there.

Mr Rao said India had been in constant touch with Sri Lanka since racial violence broke out and had expressed its concern to the Sri Lanka government.

Sri Lanka had informed India that there had been untoward incident in the last three days and that a "climate of confidence" was being built up, he said.

The government, Mr Rao said, was very much concerned over the "delicate" situation which impinged upon relations with a neighbour and also affected a number of people of Indian origin and possibly some Indian citizens.

Diplomats 'Weakness'

Mr Rao denied an allegation by Mr Kalvansundaram that the current racial violence in Sri Lanka could be related to the "weakness" of the Indian high commissioner there.

The Indian high commissioner, Mr Rao said, was one of the top diplomats and it would not be "fair and correct" to trace any happening to his alleged weakness.

Earlier, Mr Kalvanasundram urged the minister to appoint an "eminent" diplomat as high commissioner in Sri Lanka to take "proper care" of the interests of the Tamils of Indian origin and Indian citizens there.

Mr Rao did not agree with Mr R. Ramakrishnan (AIADMK) that the situation was getting out of control.

Mr V. Gopalasamy (DMK) said: "We can't remain a silent spectator to wholesale genocide of Tamilians just 80 km from our border."

He suggested that the government should take up the issue at the diplomatic level and, if necessary, raise it in the United Nations at a later stage.

The minister rejected the suggestion that the matter should be taken up at the United Nations. "We do not want relations between the two countries to be permanently impaired for such a temporary thing," he said.

CSO: 4220/7596

RAO ANSWERS QUESTIONS ON BANGLADESH CORRIDOR

New Delhi PATRIOT in English 21 Aug 81 p 5

[Text] External Affairs Minister Narasimha Rao assured in Lok Sabha on Thursday that under the terms being negotiated for perpetual lease of an area near Tinbigha to Bangladesh, the Indian population would have unrestricted access to the other side of the corridor.

The Minister gave the assurance in reply to supplementaries to a question of Mr Amar Roypradhan when Mr Indrajit Gupta (CPI) and Mr Tridib Chowdhry expressed fears that perpetually leasing out the area might turn some part of the Indian territory into an enclave on the side of the corridor.

Mr Rao told Mr Gupta that such a possibility was being taken care of, and assured that the terms would provide for free access of Indian to the other side of the corridor.

The lease (of an area approximately 178 into 85 metres is provided for under a 1974 agreement and is designed to connect Dahagram with Panwari Mouza in Bangladesh, Mr Rao explained in reply to the main question.

The agreement envisages exchange of all Indian enclaves in Bangladesh with Bangladeshi enclaves in India with the exception of Dahagram and Angarpota, which are to remain with Bangladesh in exchange for the southern half of Berubari and four adjacent enclaves remaining with India.

"We exercise effective control over south Berubari and the four adjacent enclaves retained by India, the Minister affirmed.

Propaganda

Mr Rao said pending finalisation of the lease terms, at present under negotiation, India had allowed Bangladesh provisional facilities to transit through Tin Bigha to their enclaves on several occasions for normal administrative purposes.

He agreed with Mr Tri'ip Chaudhury that there had been 'some escalation of propaganda' in the Bangladesh press, but said one need not take it as a material fact.

CSO: 4220/7593

SCIENTISTS STRESS NEED FOR INDIGENOUS TECHNOLOGY

New Delhi PATRIOT in English 25 Aug 81 pp 1, 7

[Text] Sixteen scientists of the Department of Electronics, including two senior officers with a long experience of defence electronics, have drawn the Prime Minister's attention to a 'well-designed strategy to frustrate this department's efforts to realise the goals of self-reliance by rapid creation of indigenous technology and industrial capacity and thus cutting down on imports substantially.'

These scientists, who belong to a wide range, including communications, computers, defence and radar electronics, have urged Mrs Gandhi for her continued support to the Electronics Department in pursuing the goal of self-reliance.

The appeal, both by younger scientists and some veterans, has come in the wake of a well-orchestrated attack in recent weeks by multi-national corporations and their indigenous collaborators on the functioning of the Electronics Department. The attack has been directed primarily against Mr A Parthasarathy, joint secretary of the department.

Mr Parthasarathy has earned their ire because of his dogged fight for policies and programmes which have helped the public sector to make significant strides in the sensitive field of electronics with direct bearing on the country's nuclear, space and defence programmes and has enabled the country to move towards self-reliance.

The scientists said that they were 'disturbed' at this attack on 'the functioning of the Department of Electronics.'

They pointed out that 'over the last decade, this department has built up a reputation for its relentless pursuit of the goal of self-reliance which is not only the central element in the charter given to the Electronics Commission by your Government in 1971, but is also an accepted national goal.'

'We feel that the recent campaign in certain newspapers against a senior scientist of the Department of Electronics is part of a well designed strategy to frustrate this department's efforts to realise that goal of self-reliance by rapid creation of indigenous technological and industrial capacity and thus cutting down on imports substantially,' the scientists added in their appeal to Mrs Gandhi.

They believe 'that the reason for the campaign is that over the last few years, the department's efforts have begun to pay-off, thereby seriously hurting the interests of technologically advanced countries and multinational companies.'

The appeal emphasised the fact that 'this deep commitment to self-reliance in electronics and indeed the vision to make India achieve a leadership role in this critical and strategic high technology area has sustained the scientists and engineers in this department in the face of difficulties and frustrations inevitable in the pursuit of this goal.'

The younger scientists and engineers have underlined the fact that 'they are working in close cooperation and understanding to achieve these ideals' and have 'fervently' appealed to Mrs Gandhi to extend full support.

Senior officers of the department, in their appeal to Mrs Gandhi, have specially referred to the 'leadership and support' provided by Mr Parthasarathy in the several activities of the Electronics Department and have underlined that 'his full commitment to self-reliance and indigenous efforts in general, in accordance with the charter of the Electronics Commission, has resulted in important contribution to growth of electronics in the country.'

CSC: 4220/7607

NEW DEPUTY CHIEF OF ARMY STAFF ANNOUNCED

Madras THE HINDU in English 24 Aug 81 p 9

[Text] New Delhi, Aug 23. The Defence Ministry announced today the appointment of Lt General K. Sundarji as Deputy Chief of the Army Staff at the Army Headquarters in Delhi.

He has had a distinguished career as an Infantry Officer since he was commissioned in 1946 in the Mahar Regiment.

A graduate of the National Defence College in Delhi and the Defence Services Staff College in Wellington, he also studied on deputation at the Command and General Staff College at Fort Leavenworth in the United States.

The appointment has evoked considerable interest because the Tamil Nadu-born General Sundarji will now be in the line of succession to the post of the Chief of Army Staff after Lt-Gen. S. K. Sinha has had his term following the retirement of the present incumbent, General K. V. Krishna Rao.

After General Krishna Rao retires on September 1, 1983, Lt-Gen. Sinha will succeed him in the normal course. He will reach the age of superannuation in January, 1986, which will clear the way for the appointment of Lt-Gen. Sundarji who will have two years to go before retiring in April 1988.

After serving as Deputy Chief, Lt-Gen. Sundarji will be due for promotion as GOC-in-C of one of the army commands as and when vacancies occur following the retirement of the present incumbents. This will place him in the line of succession along with Lt-Gen. Sinha, who will be succeeding General Krishna Rao.

Lt-Gen Sundarji commanded an infantry battalion in the Kutch sector during the 1965 Indo-Pak conflict. He was Brigadier General Staff of a corps in the eastern sector during the 1971 Indo-Pak war. He was promoted to the rank of a Major-General in 1974 and given command first of an infantry division and later of an armoured division.

He was serving as Commandant of the College of Combat at Mhow before being appointed Deputy Chief of the Army Staff at the Army Headquarters in Delhi.

CSO: 4220/7606

FRENCH FOREIGN MINISTER MEETS NEWSMEN IN DELHI

New Delhi PATRIOT in English 25 Aug 81 pp 1, 7

[Text] French Foreign Minister Claude Cheysson affirmed with great emphasis on Monday that Socialist President Francois Mitterrand's government would stand firmly by the developing countries.

Replying to a question on the delays in holding the north-south dialogue at a press conference, he thumped his table and said: "The global round of economic negotiations must start immediately".

Mr Cheysson lauded India's role as a non-aligned power and said that his country was keen on developing and strengthening economic and cultural relations with India.

While stressing that President Mitterrand's Government was deeply interested in regular consultations with India on all matters of bilateral and international interest and strengthening of cooperation between the two countries, he announced that Mrs Indira Gandhi would be visiting France for three days in November second week.

Military Mission

Mr Cheysson also announced that a military mission from India would soon go to France to discuss supply of armament and aeronautical equipment.

Mrs Gandhi will meet President Mitterrand earlier at the north-south summit in Cancun (Mexico) in the third week of October.

Mr Pranab Mukherjee will be in Paris two weeks from now for talks with the French Government. He will also head the Indian delegation to the UN conference on least developed countries opening in Paris next month.

Bilateral Cooperation

On Indo-French cooperation, Mr Cheysson said apart from the Orissa aluminum complex and the doubling of Bombay High oil output discussions were being held on cooperation in a number of advanced fields.

He said Indo-French cooperation was growing in many spheres including sophisticated areas.

Mr Cheysson categorically denied that the question of enriched uranium supplies to India came up in his talks.

Asked about prospects of France supplying Mirage-2000 to strengthen the Indian Air Force, Mr Cheysson said the two countries had decided to look into "every possibility", of cooperation--scientific, technical, development of trade exchanges, which was limited at present and cooperation in manufacture in diverse fields.

He said he understood the Indian Government might be interested in the supply of some equipment and armaments by France. We will be very pleased to look into it. An Indian military mission will go to Paris very soon to discuss about training, supply of arms and armaments. We will consider every single issue. This will cover the aeronautics as well as other fields:.

Mr Cheysson recalled that while in the past France had supplied India arms, it had come to a low level in recent years. He noted that Indians were in a position to manufacture most of their sophisticated equipment.

Mr Cheysson began his second day's visit to the call on President Sanjiva Reddy and a one-hour exchange of views with Mrs Gandhi, which an official spokesman described as "extensive and useful".

He later met Commerce Minister Pranab Mukherjee while Mr Shivraj Patil, Minister of State for Defence called on Mr Cheysson at which India's defence requirements, in the context of arms build up by Pakistan, figured.

North-South Talks

In a forthright and clearcut enunciation of what the new French government under its socialist President Mitterrand stands for, Mr Cheysson made it clear that France would stand by the Third World.

At Cancun (north-south) summit, Mr Cheysson said France would call for immediate start of global economic negotiations and for the word 'go' on which decisions were almost ready, i.e., more support by world financing institutions to the Third World, setting up of an energy affiliate of the World Bank, doubling of the bank's capital and raising of the capital-lending ratio. This would mean immediately an additional eighty billion dollars of financial assistance for developing countries.

On issues like Afghanistan, Kampuchea and other trouble spots, Mr Cheysson said while France itself would not take any new initiative, "we are anxious to stand behind those in the south (non-aligned movement) who have the authority, experience and know-how and can take the initiative. We shall be available when they feel we can help".

Mr Cheysson said his visit helped him to 'compare our assessments' of the situation in various areas, but his purpose of coming to Delhi was to pay tribute to India and to tell the Indian Government and the Prime Minister that "We are very

anxious to consult in future on every issue, where we have doubt and where we need the experience and knowledge of Indians".

My Cheysson said France and India agreed that there should be no foreign interference in any country and there should be withdrawal of foreign troops both in Afghanistan and Kampuchea.

CSO: 4220/7607

INDIAN, SOVIET GROUPS SIGN CULTURAL AGREEMENT

New Delhi PATRIOT in English 19 Aug 81 p 10

[Text] A cultural agreement and protocol was signed in Delhi on Tuesday between the Friends of the Soviet Union and the Soviet-Indian Friendship Society and its parent body, the Union of Societies for Friendship and Cultural Relations with Foreign Countries.

The agreement and protocol, signed by FSU general secretary T. R. Ganesh on behalf of the FSU and Mr G. I. Yanaev on behalf of the two Soviet bodies, deal with exchange of cultural delegations during the remaining part of the current year.

Under the protocol, representatives of the two parties signing the agreement will meet towards the year end either in India or the Soviet Union to take stock and draw up an agreement and protocol for the year 1981-82.

The broad terms of the agreement and protocol include the organising of seminars, lectures and meetings of Indian and Soviet representatives.

Promotion, publication and translation of the works of Indian and Soviet authors as well as organising of functions to acquaint the peoples of the two countries about the art and culture of each other are some of the functions the two signatories will perform.

Mr Ganesh said, "We have taken the first formal step of our friendship by signing the agreement and protocol."

Mr Ganesh hoped that the FSU, over whose formation doubts were expressed, and which constituted an important political component of a broad section of the national life, would be able to carry forward Indo-Soviet friendship as the country's national policy.

Vice-chairman of the Union of Societies for Friendship and Cultural Relations with Foreign Countries, G. I. Yanaev said that they had taken an important step by signing the agreement between the two bodies.

He said from the diplomatic point of view they had signed a very constructive document which would be the base of their efforts to further the friendship between the two countries. Mr Ganesh announced that the FSU would send a delegation to the Soviet Union by August end and later put up an exhibition on India, besides organising and participating in functions to mark the 64th anniversary of the October Revolution, and Jawaharlal Nehru's birthday.

KERALA CPI-M CAUTIONS LEFT FRONT PARTNERS

New Delhi PATRIOT in English 9 Aug 81 p 4

[Text] Inter-party squabbles and in-fighting among the partners, unless put an immediate end to, would only weaken the ruling left democratic front from within, CPM State secretariat has cautioned.

The ruling LDF and its Government could ill-afford to weaken itself at a time when the developments in the country demanded closer cooperation and cohesion among the constituents, the secretariat statement issued here said. The overall situation demanded of the left democratic front in Kerala to further broaden and strengthen its base to resist the onslaught of the authoritarian forces against the people.

The statement did not name any particular party in the ruling alliance, but the reference obviously was to the mutual charges and the blows the student supporters of Cong-U and Kerala Congress (Mani group) partners were trading in the open and the parent bodies themselves taking sides. The secretariat pointed out that the developments starting with the senate incident and culminating in the legislators' hostel affair would only serve the enemies of the ruling front.

CSO: 4220/7533

PUNJAB CONGRESS-I REJECTS SIKH NATION THEORY

New Delhi PATRIOT in English 9 Aug 81 pp 1, 11

[Text] Chandigarh, Aug 8 (UNI)--The Punjab Pradesh Congress-I executive committee has rejected the Akali Dal's theory of 'Sikhas as a separate nation' and appealed to the people to fight 'nefarious' move unitedly.

A political resolution to this effect was adopted by the executive at its inaugural meeting here yesterday evening and released to the press today. The meeting was presided over by State party chief Sarla Prashar.

Describing the Akali Dal's demand as 'misconceived and preposterous' it observed that 'there is only one nation and that is the Indian nation in the country as a whole. The different communities and sects based on caste creed or religions cannot in any manner claim a separate nationhood. They are all one integral part of the Indian nation.'

Expressing its opposition to the Akali Dal's Anandpur Sahib resolution the executive alleged that the activities of the Dal were against the Constitution and were prejudicial to national interests.

The Anandpur Sahib resolution, it said had been interpreted by the Akalis to demand dual citizenship (for Centre and State) and two Constitutions (for Centre and State separately). 'Evidently this goes to cut the very roots of our basic principles of unity solidarity and integrity of the nation and is therefore antinational in character' the executive said.

CSO: 4220/7533

NORTHEASTERN COUNCIL MEETS IN ITANAGAR

New Delhi PATRIOT in English 9 Aug 81 p 16

[Text] Itanagar, Aug. 8 (UNI)--Chief Ministers of North Eastern States and Union Territories yesterday called for concerted efforts to banish backwardness from the region.

Reviewing the performance of North Eastern Council plan schemes for 1980-81 at its 18th meeting here, the Chief Ministers drew the Centre's attention to the problems of inadequate road the railway communication facilities, shortage of energy and the growing unemployment facing the region.

They pleaded for a special treatment for the region at the national level so that it could come on a par with the rest of the country.

A large number of officials from the Planning Commission, the Home Ministry, the Railways the Food Corporation of India and representatives of the respective State Governments attended the conclave. The Council met in Itanagar for the first time.

Presiding over the NEC meeting, Council Chairman and Governor of North Eastern States L P Singh, stressed the need to build the proposed road-cum-rail bridge at Ogighopa in Assam. He also stressed the need to extend the broad gauge line to Dibrugarh touching the main towns of upper Assam. Mr Singh referred to the growing unemployment problem in the region and suggested schemes to solve it.

Earlier welcoming the members, Arunachal Pradesh Chief Minister Gagen Apan referred to the rich heritage of the Union Territory and said special attention should be given for a faster economic development of the backward region.

He urged the NEC to provide funds to build roads in the territory and pleaded for taking up the Kameng hydel project during the sixth Plan.

Tripura Chief Minister, Nripen Chakraborty said the influx of people from Bangladesh had created an adverse impact on the socio-economic life of Tripura. He criticised the performance of different corporations including the Food Corporation of India, in Tripura and said the state was facing difficulties because of irregular supply of essential commodities, including rice and steel.

CSO: 4220/7533

ALL-INDIA MUSLIM LEAGUE COMMITTEE MEETS

New Delhi PATRIOT in English 17 Aug 81 p 4

[Text] Kozhikode, Aug 16 (UNI)--The All India Muslim League (AIML) state working committee, which met here yesterday, in a resolution reiterated the party's resolve to hold unity talks with the Indian Union Muslim League (IUML) without any preconditions.

Party state secretary M. Issuddin, releasing the committee's decision, told newsmen here today that the party felt that the unity of the two factions was essential in the interest of the Muslim community and also because of the latest social and political situation at the national and state levels.

He said the unity talks were at a standstill and progress could be made if the IUML responded favourably to the AIML's efforts.

Replying to, question, Mr Issuddin said his party would certainly welcome the joining of the Indian Union Muslim League in the Left Front Government as desired by the CP-M.

The committee in another resolution expressed concern at Muslims not getting due representation in appointments in the Central, State and Quasi-Government institutions.

By another resolution, the committee wanted the Central Government to withdraw the anti-democratic ordinance 'empowering the Government to ban strikes.'

CSO: 4220/7574

NATIONAL CONGRESS LEADER TALKS TO PRESS

New Delhi PATRIOT in English 17 Aug 81 p 7

[Text] Mr Jagjivan Ram, who was elected president of the 'Indian National Congress' by a parallel AICC-U meeting this month, has launched a frontal attack on the Government for its failure on the price front.

The ordinance banning strikes showed that the Government had turned panicky, Mr Jagjivan Ram told newsmen in New Delhi on Sunday. The problems of the workers in such an economic crisis could not be tackled through such measures, he said.

He found little substance in Prime Minister Indira Gandhi's justification for the import of wheat from the US. This showed that the hoarders were more powerful than the Government. 'You cannot tackle this by appeasing the traders,' he said.

The Government, he said, had failed in arresting the prices of even those items which were not in short supply. It showed the 'thorough inefficiency.' He slammed Finance Minister R. Venkataraman for raising prices of petroleum goods both before and after the budget. To say it was anti-inflationary was wrong, he said.

Mr Jagjivan Ram said he would write to the Lok Sabha Speaker that his party be considered as 'Indian National Congress.' It would be known so in outside Parliament as well, he said. In the Lok Sabha, his party had only two members. According to him, the Election Commission had no powers to change the name of a political party. It was confined to the recognition of the symbol.

Asked whether he would take initiative for Opposition unity, he said there was no major hitch in achieving coordination at the floor level. He, however, said he was not invited for the Opposition meeting on Sunday evening.

Mr Jagjivan Ram denied that his party had authorised any advocate to intervene in the petition on the symbol case. He also dismissed as canard the reports in a section of the press that he was planning to embrace Islam. Such reports had also appeared in some 'pro-conversionists' newspapers in India. What surprised him more was that some Hindu newspapers had carried a report to this effect. 'This showed the pro-conversionists' hold on them as well,' he said.

OPPOSITION PLANS MONSOON SESSION COORDINATION

Lower, Upper House Meetings

New Delhi PATRIOT (in English 17 Aug 81 pp 1, 7

[Text] The Opposition parties, including the Left parties and the Bharatiya Janata Party, have decided to have floor coordination in both Houses of Parliament, which begins the monsoon session on Monday.

Attended by the representatives of almost all major opposition parties, a meeting on Sunday also decided to hold similar frequent talks for floor coordination. The general consensus of the meeting was that the opposition groups should narrow down their differences on all major issues so that their voice could be made effective in the House.

The views expressed at the meeting revealed that there was already unified opinion among the parties on all anti-people policies being pursued by the Government. Some speakers felt that efforts should be made to narrow down the differences on the remaining issues as well.

The meeting, convened by Janata Party leader Madhu Dandavate, also resolved to 'vigorously oppose the anti-working class ordinance banning strikes in essential services,' Mr Dandavate told newsmen. They would unitedly raise the issue of malpractices and irregularities in the electoral processes and the Government's inability to check the price rise.

A similar meeting of the leaders of opposition parties in the Rajya Sabha was held on Sunday at the initiative of Cong-U leader Bhola Paswan Shastri.

Those present at the meeting included Mr Samar Mukherjee (CPI-M), Mr Indrajit Gupta (CPI), Mr George Fernandes (LD), Mr Satish Agarwal (BJP), Mr Harkesh Bahadur (DSP), Mr K. P. Unnikrishnan (Cong-U), Mr Chandrajit Yadav (Democratic Party) and Mr Pius Tirkey (RSP).

Cong-U Meeting

The Lok Dal parliamentary party decided on Sunday to work in close cooperation with other opposition parties in Parliament. Mr Charan Singh, party president and leader, presided.

The party also discussed the strategy to highlight burning issues like price rise, the strike-ban ordinance and the future of democracy in the context of large-scale rigging of the recent byelections by the ruling party.

The Cong-U parliamentary party will meet on Monday morning. The CPP-U has also to elect a new leader for the Lok Sabha in place of Mr Y. B. Chavan who resigned two months back.

The Bharatiya Janata party's parliamentary group at its meeting decided to seek to indict the Government during the monsoon session on the issue of the ban anti strike ordinance.

Other issues to be highlighted by the BJP will include Government's failure on the price front and the gross abuse of power, rigging and booth capturing witnessed in the recent byelections, according to a party press release.

The meeting also decided to keep liaison and to have continuing discussions with other opposition parties to ensure that the entire opposition acted in concert on all major issues.

Presided over by Mr L. K. Advani, leader of the BJP in the Rajya Sabha, it mourned the death of Mr Bhupesh Gupta, Mr T. A. Pai, Mr S. K. Patil, Mr K. D. Malviya and Mrs Durgabai Deshmukh.

Left Parties' Committee

New Delhi PATRIOT in English 17 Aug 81 p 1

[Text] The Left parties have decided to seek the cooperation of all Opposition groups in Parliament to fight against the Government's anti-people policies.

The left parties' coordination committee at its meeting on Sunday, decided to strongly oppose the Maintenance of Essential Service Ordinance in coordination with others. The meeting expressed deep concern at the Government's dangerous and authoritarian tendency of bypassing parliament by promulgating ordinances only a few weeks before the Parliament session.

The committee said "this erosion of Parliamentary rights is a matter of deep concern."

The meeting also decided to seek the cooperation of all opposition parties to take up during the session various issues, including proposed loan from the International Monetary Fund, misuse of election machinery in Garhwal and the wheat import decision.

The meeting was attended by Mr Samar Mukherjee, Mr E. Balanandan and Mr Sunil Moitra (CPI-M), Mr Indrajit Gupta, Mr Yogendra Sharma, Mr Ramavatar Shastri (CPI), Mr Chitta Basu (Forward Bloc), and Mr Pratul Chaudhary (RSP).

CSO: 4220/7574

HOME MINISTER HOLDS 16 AUGUST PRESS CONFERENCE

New Delhi PATRIOT in English 17 Aug 81 pp 1, 7

[Text] Chandigarh, Aug 16--Union Home Minister Zail Singh has warned those showing disrespect to the national flag of deterrent action.

Addressing a press conference here today, he said he had taken strong objection to certain incidents reported from Punjab on the occasion of Independence Day yesterday. The Centre would brook no nonsense on this count, he said and added he was not in the know of any action proposed to be taken by the Punjab Government in this regard.

Mr Zail Singh said not only in Punjab any person doing such thing any where would not be tolerated.

Commenting on the Khalistan issue, he said it was no issue at all. It was the creation of some self-seeking foreign-based Sikhs and a few fanatics and Extremists here who had no following among the general mass of the Sikh population. He said time had not come for the Centre to act.

Answering questions, Mr Zail Singh said even if he had information about the flow of foreign money he was not going to divulge it, especially when Parliament was meeting from tomorrow.

He did not disagree that some Congressmen might be playing a role in keeping the Khalistan issue alive or rather kindling it. In this context the Centre would welcome any new information from any quarter, including from the Akali Dal.

Asked if the Centre was ready for an inquiry by a Supreme Court judge as demanded by former Chief Minister Parkash Singh Badal the Home Minister said he did not know of such a demand. However, the Centre was not averse to it if a prima facie case was established.

He said the Centre was always ready for talks with any individual or party. However, no one had met him in this respect so far.

Commenting on the charter of demands presented at the Amritsar World Sikh Convention recently, he said why such a matter was not being raised when Punjab was ruled by the Akali Dal. And, why was the Anandpur Sahib resolution not

implemented when the Dal was in power. It explained that the agitation planned by the Dal was needless. It indeed was 'adharam yudh' as the agitation was purely for political ends and had nothing to do with the language or religion.

The Home Minister also denied that he had any group at the Centre or in the State Cong-I. I have already written to the editors of prominent newspapers denying such insinuations and I hope they will take note of it.'

Mr Zail Singh said had he been interested in groupism he would naturally not be termed as a dissident. Could a union Home Minister be a dissident, he asked pleading that he was a worker of the party having full faith in the leadership of Mrs Indira Gandhi.

About his being dropped or shifted, he said it was wishful thinking on the part of certain individuals and newspapermen. It was the Prime Minister's prerogative to appoint or retain a person.

On the law and order situation in Punjab, especially in the background of the recent murder of a Cong-I man at Anandpur to which place he was heading to attend the 'kirya ceremony' Mr Zail Singh refused to comment. He said he had asked for details about the murder, he would not comment until he received those.

On Assam he indicated that some solution might well be on the anvil. But he refused to talk on the subject.

CSO: 4220/7574

UTTAR PRADESH MINISTRY EXPANDS TO 47 MEMBERS

New Ministers Named

Madras THE HINDU in English 18 Aug 81 p 1

[Text] Lucknow, Aug. 17--The U.P. Ministry was expanded today with the induction of six Ministers. The Governor, Mr C. P. N. Singh, swore in the six: one with Cabinet rank, four Ministers of State and one Deputy Minister.

The six were Chaudhri Naunihal Singh, given Cabinet rank, Mr Gulab Sehra, Mr Ranjit Singh, Mrs Premwati Tewari and Mr Praveen Kumar Sharma, Ministers of State and Mr Om Prakash Richaria, Deputy Minister.

The V. P. Singh Ministry now has a total strength of 47--17 Cabinet Ministers, 21 Ministers of State and nine Deputy Ministers.

The expansion of the Ministry had been on the cards for some time though the last exercise was undertaken only in July when two Ministers of State were inducted. Yesterday three Ministers, one holding Cabinet rank and two Ministers of State, submitted their resignations, which were accepted.

Of the three, Mr I. P. Tiwari, Minister of State for Power, has been elected to the Lok Sabha from the Allahabad constituency.

The other two Mr Chida Lal Chaudhary, a Harijan leader who had Cabinet rank and was holding the Harijan and Social Welfare portfolio, and Mr Ajit Singh Sethi, Minister of State holding the Transport portfolio, were discreetly asked by the Chief Minister to resign. Mr Sethi, elected from Meerut, was the lone Sikh in the Ministry.

Though no controversy had surrounded them, the Chief Minister apparently was unhappy with their performance. In December two Cabinet rank Ministers had to go under similar circumstances. Two others were shifted to relatively insignificant departments.

More dismissals?: Speculation is rife about quit orders on a few more Ministers who figured in some of the recent controversies. The Chief Minister is reported to have conducted secret enquiries about charges against some of his Cabinet colleagues which have been found corroborated.

Yet another Cabinet rank Minister, Mr Bhanu Pratap Singh, is in the thick of a controversy as his son, convicted in a murder case but enlarged on bail, is now in jail on a rape charge.

The Chief Minister said yesterday that he has not so far received any resignation letter from Mr Bhanu Pratap Singh, who was shifted from Cane Development to the important Agriculture portfolio only a few weeks ago.

Portfolio allocation: All the newcomers are MLAs.

Portfolios will be allocated to them late tonight or tomorrow.

Sikhs' demand: The Uttar Pradesh Sikh Pratinichi Board today expressed shock at the exit of Mr Ajit Singh Sethi, who resigned from the Ministry yesterday.

A press release issued by the board here demanded the inclusion of two Ministers to represent the 40 lakh Sikhs in the State.

Gandhi's Approval Given

Madras THE HINDU in English 18 Aug 81 p 9

[Text] New Delhi, Aug 17--Behind the developments in U.P., where three Ministers "resigned" from the State Cabinet, and in Maharashtra where the expected changes in the Ministry did not materialise, there is a one common factor--supremacy of the Congress(I) High Command.

The U.P. resignations were offered at the instance of the Chief Minister, Mr V. P. Singh, Mr Chida Lal Chaudhury, Minister for Harijan and Social Welfare, and Mr Ajit Singh Sethi, Minister of State for Transport quit for "personal reasons," and Mr K. P. Tiwari, Minister of State for Power, left because of his election to the Lok Sabha in a recent by-election.

The Chief Minister sought, and got, the clearance of Mrs Gandhi, for the changes. Impliedly she accepted the reasons, given by the Chief Minister, for dropping Mr Chaudhury and Mr Sethi. The action, it is widely believed here, was linked with what are vaguely described as "image" and "performance."

It was also clear that Mr Singh enjoyed the confidence and backing of the High Command--in the same way as his counterpart in Madhya Pradesh, Mr Arjun Singh.

In sharp contrast to this, the Maharashtra Chief Minister, Mr A. R. Antulay, did not get the Prime Minister's consent either for dropping six Ministers--three senior and three junior--and inducting 12 new colleagues. Earlier this month, the Chief Minister paid his third visit here for getting the clearance for the changes, but returned without achieving his objective.

More Embarrassing

The last trip turned out to be more embarrassing than the previous visits, because this time, Mr Antulay was unable to see Mrs Gandhi. Mr Rajib Gandhi, whom he met twice, conveyed to Mr Antulay the Prime Minister's opposition to the proposed changes.

Mrs Gandhi, it appears, was not happy with Mr Antulay's plan to drop the Finance Minister, Mr Ramarao Adik, and two other Cabinet-rank Ministers, Mr Jawaharlal Dara and Mr Baburao Kale, and the junior Ministers nor with the choice of those he wanted to include in the Cabinet.

These are not the only instances of the High Command's control over the Ministries in the Congress(I)-ruled States. In Punjab, the Chief Minister, Mr Darbara Singh, who had dilly-dallied for over a year in the face of suggestions to resign as President of the State unit of the party, promptly quit after Mrs Gandhi publicly expressed her strong disapproval.

And the Gujarat Chief Minister, Mr Madhavsinh Solanki, who too combined two pots declared that he would be leaving the party position soon. In Karnataka, the resignation of Mr C. M. Ibrahim too falls in this category.

The High Command's control over the conduct of Chief Ministers is, thus, complete, though the approach varies from State to State.

CSO: 4220/7578

NEW RAJYA SABHA MEMBERS TAKE OATH, PARTY STRENGTH TOLD

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 7

[Text] New Delhi, August 17 (UNI): The strength of the Communist Party of India (Marxist) in the Rajya Sabha swelled to 13 from nine with four new members taking the oath as the house assembled for its monsoon session today.

The commerce minister, Mr Pranab Mukherjee, who was elected from Gujarat, was among the nine members who took the oath.

Mr D. B. Burman, Mr Arabinda Ghosh, Dr D. B. Ghosh and Mr Santosh Mitra, all from West Bengal, are the new EPI-M entrants to the Rajya Sabha.

Mr S. P. Mitra (Ind.) and Mr Makhan Pal (RSP) are the other two new members from West Bengal.

Besides, Mr Mukherjee, who was leader of the house, Mr H. B. Mahida and Mr Kishore Mehta belonging to the ruling party were the other two members coming from Gujarat.

The latest party position in the house is as follows: Congress(I)--120, Congress(U)--18, Janata--1-, BJP--14, Lok Dal--13, CPI(M)--13, AI-ADMK--9, CPI--5, DMK--4, Akali Dal--3, National Conference--2, Muslim League--1, Kerala Congress--1, Forward Bloc--1, UDF (Nagaland)--1, RPI (Khobragade)--1, Socialist--1, Lok Tantrik Lok Dal--1, Independents--7 and Nominated--7.

Mr Pranab Mukherjee has been renominated leader of the Rajya Sabha. The house greeted his nomination with the thumping of desks as soon as Mr Hidayathullah read out a notice from the Prime Minister, nominating Mr Mukherjee as leader of the house.

CSO: 4220/7576

SHEIKH ABDULLAH ACCUSES CONGRESS-I OF MISRULE

New Delhi PATRIOT in English 18 Aug 81 p 4

[Text] Srinagar, Aug 17--Three-week-old lull in hostility between the ruling National Conference and the Congress-I was broken today when Chief Minister Sheikh Abdullah mounted a sharp attack on the party accusing it of having "ruined the State under its misrule."

The Sheikh's sudden outburst is said to be in retaliation against a minor disturbance created by a group of people at a public meeting at Pakhanpona, 45 km from here. Earlier, supporters of the two parties were reported to have clashed at Chanani Sharif near Pakhanpona. The clash occurred as Revenue Minister G. N. Kochak was addressing a public meeting during which he allegedly criticised the Congress-I leadership.

About a dozen persons were injured in the clash.

The Sheikh alleged that the Congress rulers in the State had indulged in corruption, drinking and other vices. He said their misdeeds had resulted in widespread deterioration of moral standards, economic ruination and political degeneration.

The Sheikh exhorted the people to strengthen the National Conference and claimed that it was "the sole guarantee for safeguarding your honour and freedom."

Mr Abdullah began his speech in a low key but warmed up when a group of four or five persons in the audience stood up asking some questions. They were rounded up by the police immediately.

The Sheikh outburst breaks the uneasy lull that had come about as a result of Prime Minister Indira Gandhi visit here last month.

Following the 'truce' between the two parties, both sides had been so far avoiding to mention each other in the course of their subsequent public speeches.

Earlier, their speeches were marked by acrimonious exchanges leading to a confrontation between them which was defused during Mrs Gandhi's visit.

Interestingly, though the Sheikh has been making regular public speeches after her visit, he has not for once mentioned developments resulting in talks between the two parties, much less seeking to highlight their implications.

Congress-I leaders in their speeches have also been maintaining a lower profile claiming that the truce did not envisage any change in the opposition role of PCC-I.

Meanwhile, the ruling party is fully occupied with arrangements for its three-day annual session being held here from 21 August. President-elect of National Conference Dr Farooq Abdullah is scheduled to be formally installed on the first day of the session. Elaborate arrangements are being made in this connection.

CSO: 4220/7580

ANDHRA PRADESH STRENGTHENS POWERS OF LOCAL OFFICIALS

New Delhi PATRIOT in English 18 Aug 81 p 4

[Text] Hyderabad, Aug 17--The Andhra Pradesh Government has ultimately agreed to strengthen the chairman of zila parishads and presidents of panchayat samitis by handing over certain administrative powers to them.

Announcing the decision of the Cabinet at a news conference, Chief Minister T. Anjaiah said the district development officer and the block development officer would in future work under the administrative control of the zila parishad chairmen and panchayat samiti president, respectively.

All development departments in the district will be brought under the purview of the zila parishads.

The chairmen of zila parishads will also be nominated as vice-chairmen of the district rural development agencies and the intensive tribal development agency of which the collectors would be chairmen.

The Chief Minister said the Government had taken the decision following the report in this regard of a sub-committee with Industry Minister M. Baga Reddy as its head.

Mr Anjaiah said the steering committees would be abolished and their work would be supervised by the respective zila parishads and panchayat samitis.

The chairman of the zila parishad will be paid an honorarium of Rs 1000 per month and the president of the panchayat samiti Rs 500. The A. P. chairmen will also get the assistance of a stenographer and a car.

The powers to transfer the employees within the district will be with the chairmen.

But the recruitment will be done by the Public Service Commission and the district selection committee with collector as chairman, the Chief Minister added.

Similarly, the postings and transfers of block development officers within the district will be done by the district development officers.

CSO: 4220/7580

TWO CHIEF JUSTICES APPOINTED, BENCH VACANCIES NOTED

Madras THE HINDU in English 19 Aug 81 p 1

[Text] New Delhi, Aug 18--The appointment of two Chief Justices--Mr M. P. Thakkar for the Gujarat High Court and Mr Sambha Chandra Ghose for Calcutta--was announced today.

Mr Ghose, now the acting Chief Justice, was confirmed in that position. Mr Thakkar, would succeeds Mr P. J. Dewan, who retires on August 20. Mr Thakkar, at present, is the seniormost judge of the Gujarat High Court.

Today's appointment follows the traditional pattern and contrasts sharply with the induction of "outsiders" in two high courts earlier this year which became the subject of a raging controversy. Some more Chief Justices are yet to be appointed and it was not clear whether or not today's pattern represented a change in the Government's policy.

79 Vacancies: In all, there were 79 vacancies in the various high courts as on July 1 last. The State-wise break-up is: Allahabad 11, Andra Pradesh four, Bombay four, Calcutta seven, Delhi six, Gauhati two, Gujarat four, Himachal Pradesh one, Jammu and Kashmir three, Karnataka two, Kerala two, Madhya Pradesh seven, Madras three, Orissa three, Patna 12, Punjab and Haryana four and Rajasthan four.

Around that time, there were four vacancies of Chief Justices--of Calcutta, Gauhati, Jammu and Kashmir and Kerala. Later, there was one more addition--of Madras High Court.

The Union Law Minister, Mr P. Shiv Shankar, explained the delay, in reply to an unstarred question in the name of Mr A. B. Vajpayee and Mr Suraj Bhan in the Lok Sabha, thus:

"Some proposals for filling up vacancies in the high courts have been received. A majority of these has been received recently and after persistent reminders to the States. All efforts have been made to complete consultations under Article 217 expeditiously. The State authorities are being pressed to send proposals in respect of the remaining vacancies."

In reply to another question by Mr Chitta Basu, whether the work of the Calcutta High Court was being handicapped because of the vacancies, Mr Shiv Shankar said there were 10 vacancies on April 1 last out of a total strength of 40 but three judges were appointed with effect from June 1.

"Delay occurred in their appointment as there were differences between certain constitutional authorities who had to be consulted under Article 217. After protracted efforts to resolve the differences, these three appointments could be made. A few more proposals have been received from the State authorities in the meantime," the Minister said.

CSO: 4220/7583

CPI LEADER MOHIT SEN HOLDS PRESS CONFERENCE

New Delhi PATRIOT in English 20 Aug 81 p 4

[Text] Ahmedabad, Aug 19.--CPI leader Mohit Sen called for 'mass mobilisation' to counter machination of US imperialism against India.

Addressing a press conference here today, Mr Sen said that with the US military aid to Pakistan and stationing of nuclear missiles in Tibet by China the situation in Sri Lanka and the increasing rabid anti-Indian forces in Bangladesh, India "is under a siege".

Thus, the time has come for immediate mobilisation and unity of all the patriotic parties to support the progressive foreign policy of the Indira Gandhi Government.

It should be defended and given sharper thrust by the united efforts of all the patriotic anti-imperialist forces, Mohit Sen said.

He, however, castigated the Government for going in with a begging bowl to the IMF "at such a time" when it is not required thereby weakening self-reliance of the country.

The CPI leader called for nation-wide campaign against this move.

He called upon the Government to take effective measures to halt the soaring prices. He said the Government can "take over wholesale trade in food-grains, requisition stocks of essential commodities and impose stringent price control". However, Mohit Sen hit out at the Government for its refusal to follow such steps.

Referring to the efforts of casteist and communal forces like the Jamat-i-Islami, Bharatiya Janata Party and the RSS to fragmentise the society and destroy the secular foundation of the political life by blowing out of proportion the conversion issue and thereby, combining both the communal and caste riots.

The CPI leader charged the Gujarat Congressmen with chasing "posts for personal benefits" at a time when the country is facing internal and external threats.

In this connection he said the infighting in the Gujarat Congress provides "an outstanding example of this bitter truth".

Then, he said, the unity of the left, CPI and the CP-M in particular is a heartening fact for the masses of Gujarat.

INDIA

DETENTION OF DEMOCRATIC SOCIALIST RULED ILLEGAL

New Delhi PATRIOT in English 20 Aug 81 p 4

[Text] Allahabad, Aug 19 (PTI)--The Allahabad High Court today held illegal the detention of Bhagwat Prasad Srivastava alias Kattan Guru, general secretary of the Allahabad unit of the Democratic Socialist Front, under the National Security Act.

A division bench consisting of Mr Justice K C Agarwal and Mr V K Khanna ordered the immediate release of the petitioner, while allowing a habeas corpus petition filed by him.

Mr Srivastava was arrested on 24 July following an incident in which he was alleged to have fired shot from his pistol at Cong-I MLA Ashok Kumar Bajpai.

Student Freed

Another bench of the court held the detention of Gorakhpur University student Devendra Pratap Singh under the National Security Act as illegal.

The bench directed that a copy of the judgment be sent to the chief secretary for perusal so that unauthorised persons might not curb civil liberty of citizens.

CSO: 4220/7587

ANDHRA PRADESH CHIEF MINISTER EXPANDS CABINET

Madras THE HINDU in English 21 Aug 81 p 1

[Text] Hyderabad, Aug. 20--The Andhra Pradesh Cabinet was expanded today with the induction of two new Ministers--Mr. Chanumolu Venkata Rao and Mr. Nallapareddi Srinivasulu Reddi--and elevation of five Ministers of State--Mr. C. Rajanarasimha, Mr. Goka Ramaswamy, Mr. Majji Tulasi Das, Mr. Paaladugu Venkata Rao and Mrs. M. N. Vijayalakshmi Devi--to the Cabinet rank.

After the swearing-in ceremony, the Chief Minister, Mr. T. Anjiah told pressmen that he would appoint two more Ministers either on Monday next or before the end of the month to restore the strength of the Cabinet to 45.

There are now 34 Cabinet Ministers and nine Ministers of State.

The selective elevation of Ministers of State caused disappointment to a number of junior Ministers, one of whom, Dr. Y. S. Rajasekhara Reddi, sent in his letter of resignation to the Chief Minister. But he was later persuaded to withdraw it.

These junior Ministers appear to be upset that a comparative newcomer like Mr. K. Kesava Rao, who became a member of the Legislative Council in 1978, was straight-way inducted as a Cabinet Minister on July 27 last, while those senior to him had remained Ministers of State.

Asked by pressmen about Dr. Rajasekhara Reddi's resignation, the Chief Minister flatly denied it, saying he had not received any resignation letter.

Dr. Rajasekhara Reddi, along with another Minister of State, Mr. N. Chandrababu Naidu, called on the Chief Minister at the Secretariat after the swearing-in ceremony when Mr. Anjiah is reported to have torn the resignation letter and told them that he was treating the issue as closed.

Report denied: Speaking to pressmen later in the evening, the Chief Minister again denied the report of Dr. Reddi's resignation. He said he had in fact asked Dr. Reddi whether there was any truth in "the rumours spread by the press" that he had submitted his resignation and that Dr. Reddi had offered to issue a statement denying the whole thing and that he (Mr. Anjiah) had himself persuaded him not to do so.

The exchanges between the Chief Minister and pressmen turned out a battle of wits. As pressmen asked whether the Finance Minister, Mr. K. Prabhakar Reddi, had intervened in the issue, the Chief Minister called Mr. Prabhakar Reddi (who was sitting in an ante-room) and he also emphatically denied that there was any truth in the whole story.

The vacancies: The death of Mr. P. Seshavataram on July 11, the dropping of Mr. N. Bhaskara Rao from the Cabinet on July 28, and the resignations of Mr. G. Sriramulu Naidu and Mr. K. E. Krishnamurthy following their election as Chairmen of the Srikakulam and Kurnool Zilla Parishads had caused the four vacancies in the Cabinet, two of which have now been filled.

Mr. Anjiah, who became the Chief Minister on Oct. 11 last, inducted 22 Ministers on Oct. 16 and another 38 on Dec. 2, taking the Cabinet's strength to 61. Following criticism about its size, he collected the resignations of all Ministers on Jan. 13, and these were accepted on Feb. 6. Three days later he appointed 44 Ministers.

Mr. Srinivasulu Reddi was one of the members of Mr. Anjiah's 61-member Cabinet. After the reconstitution, he became Chairman of the APSRTC.

Mr. Chanumolu Venkata Rao was a member of the Vengal Rao Cabinet.

CSO: 4220/7592

JANATA MP OPENS DEBATE ON ELECTORAL REFORMS

Bombay THE TIMES OF INDIA in English 21 Aug 81 p 6

[Text] New Delhi, August 20 (PTI)--The Janata Party member, Mr. Madhu Dandavate, made a strong plea in the Lok Sabha today for immediate steps to check electoral malpractices.

Initiating a special debate on electoral reforms, Mr. Dandavate said that free and fair elections, an independent judiciary and an impartial election commission were vital to the health of a democratic system. But these things were not to the liking of those who believed in an authoritarian rule.

Mr. Dandavate said parliamentary democracy in India was under "grave threat of distortion" on account of use of money power, muscle power in booth-capturing, media power and the misuse of governmental machinery by the party in power.

He said that in the past, a committee on defections had been set up under the chairmanship of Mr. Y. B. Chavan, Mr. Jayaprakash Narayan had also set up a committee headed by Mr. V. M. Tarkunde. The point he wished to make was that there was no need of setting up any more committees in this connection. The ailment was well known. The need for for taking corrective action.

He felt that the chief election commissioner, Mr. Shakti Chandra Sinha's suggestions about state funding of elections, and identity cards for voters, deserved serious thought.

Mr. Dandavate also wanted India to go in for a mixture of direct elections as at present and the list system ensuring representation for parties in proportion to the votes polled by them. This system was in vogue in West Germany, he said. It would help establish a co-relation between the votes polled and the seats won in a legislature by any party.

He stressed that an anti-defection law must be brought into being without delay.

He said that the suggestion for state funding of elections was good and should be considered.

Several Congress(I) members protested when Mr. Dandavate referred to the deployment of outside police in Garhwal constituency and said this had clearly been done to intimidate voters.

Mr. Mohanlal Sukhadia (Congress-I) asked why the Janata Party had not brought forth the anti-defection legislation in spite of remaining in power for so many months.

He said funding of elections by the implications needed to be closely examined. Would the candidate or his party in that case have a right to spend money or not, and if so, how much?

About the list system, he had a reservation. Indian experience was that multi-party governments tended to be unstable.

He wanted deterrent punishment to be given for booth-capturing. It would also help, he felt, if the election commission had powers to take disciplinary action against state government staff preparing electoral lists found to contain fraudulent entries.

CSO: 4220/7589

AKALI LEADERS' STATEMENTS SCORED, CLARIFIED

Calcutta THE STATESMAN in English 21 Aug 81 p 9

[Text] Chandigarh, Aug. 20--Mr B. S. Danewalia, president of Confederal Akali Dal and Punjabi Party, has invited moderate leaders in the Akali Dal to join his party so that they could oust the State Congress (I) from power.

Mr Danewalia in a statement yesterday, said conflicting statements of various Akali leaders in Punjab and Delhi shared the decline in the standard of Akali leadership which had brought down the reputation and prestige of Akali Dal from a great nationalist party to a board of infighters who had lost credibility. Their deeds and words, he said, were a sequence of betrayal of Punjabis. For example, their "collusion with Congress (I) elements during parliamentary polls in 1980, bargaining with Rajya Sabha seats, and their betrayal of the party and common Punjabi interests to the Congress (I) had been done behind the back of the Sikhs and all Punjabis".

He said their current strivings for reinstatement were hypocritical, be they in the name of "dharam yudh", a twisted Anandpur Sahib resolution or U.N. membership. These Akali leaders, he said, had created a climate of lack of self confidence in the Sikhs especially so much as to make them believe that agitation, not self Government, was their destiny and goal. Some Akali leaders thought that extremism and excess of obstinacy gave them the status of leadership against their timidity and betrayal which preceded it.

He charged this Akali leadership with insincerity and said they were helping a rejected party, that is the Congress (I). The Akalis by their slogan-mongering, in which none of them believes were seeking to give a lease of life to the Congress (I), he alleged.

Mr Danewalia said his party was determined and was gearing up to rally all Punjabis to rid the State of "misconducting politicians" and rebuild Punjab's economic and political life. All Punjabis he said, should discard the leadership which had done nothing for Punjabis in all the 34 years since Independence.

Meanwhile, three senior Akali leaders--Mr Randhir Singh Cheema, general secretary, and two other leaders of the Akali Dal (Talwandi)--in a statement reiterated that the "Des Punjab" demanded by them did not mean Khalistan in any way and those who

were dubbing Anandpur Sahib resolution as basis for Khalistan were either ignorant or misleading people. They made it clear that the Sikhs would never think of isolating themselves from the rest of the country. Their simple demand for decentralization of certain powers should not be misinterpreted and compared with Khalistan.

Commenting on the crisis in the Longowal faction of the Akali Dal, the three leaders said all was not well with Sant Dal. Their group suffered from innumerable contradictions. The Sant Dal was infested with vested interests. Their only programme was "Kissa Kursi Ka" and their top leaders were mad for power and were running after the Jana Sangh, Congress (I) and the Leftist parties at the same time.

They criticized Akali leaders' comments on Mr Sukhjinder Singh's stand and said that many people had started accusing Mr Sukhjinder Singh without understanding and appreciating the real controversy involved in it. Mr Sukhjinder Singh had never demanded Khalistan. He had merely joined issue with those who were ridiculing the demand of Khalistan as an insignificant voice of a few misguided Sikhs.

The purpose of his statement was to suggest to the Congress leaders to view the Sikh problem realistically instead of opposing every Sikh demand. Mr Sukhjinder Singh, they said, had asked them to take the Sikhs into confidence and tell them if the powers that be had anything to offer to the Sikhs.

CSO: 4220/7590

NAXALITE LEADER: CPI-M FOLLOWS KHRUSHCHEV PATH

Madras THE HINDU in English 21 Aug 81 p 9

[Text] Trivandrum, Aug. 20--The naxalite leader, Mr. Kanu Sanyal, maintains that the CPI (M) is following the "wrong path shown by the former Soviet leader, Mr. Nikita Khrushchev."

Mr. Sanyal, who still believes that an armed revolution was inevitable for the liberation of the Indian masses, told THE HINDU on Wednesday that the CPI(M) had a three-pronged policy: peaceful coexistence with the Congress (I) (as in Assam); peaceful competition with the Congress (I) (giving fictitious reliefs such as unemployment doles); and peaceful transformation.

This was an illusionary policy which blunted the resistance of the oppressed peasantry, Mr. Sanyal said. The CPI(M) was hoodwinking the people by saying that the power its Governments in West Bengal, Kerala and Tripura had was limited.

In West Bengal, for example, the CPI (M) went about saying, according to Mr. Sanyal, that the Centre had not cleared the land reform legislation.

"Alright. If the Centre does not give the clearance, why can't you allow the people to take over the land? Why do you use the police to foil the people's attempt?", he asked the CPI(M).

Mr. Sanyal does not believe that the Janakeeya Samskara Vedi in Kerala and its programmes of "people's trial", form a correct line in Indian conditions.

Decadent System

Corruption stemmed from the present system which was decadent. It was a result and not the cause. So the target of attack should be the system.

It was true, he said in reply to a question, that Samskara Vedi activities had touched a sympathetic chord among the people, but that did not mean that the fundamental issue had been brought into focus.

In a country such as India, there could never be any meaningful change without taking into account the role of the peasantry.

The land reforms enacted and implemented in the country had not touched even the fringe of the problem. The ceiling laws were being violated with immunity.

New Class of Landlords

Wherever land reforms had been implemented a new class of landlords had come up. West Bengal was the best example, followed by Bihar, where even the lands received by Vinoba Bhave had been cornered by certain elements.

These lands should vest with the peasantry, but so far no Government had done anything by way of justice to the peasants.

Mr. Sanyal said the communist movement in the country had failed to grasp the essence of the Indian political situation right from the beginning.

Between 1953 and 1962, the party virtually had no programme.

While the decision to contest elections was right, the communists went wrong in believing that that was the prime need of the hour.

The parliamentary path was only one line, dictated by national compulsions, but was not the only line which the communists should have followed.

The communist revolutionaries in the country had neglected their most important tasks of preparing the masses for a liberation struggle.

There was neither ideological education, nor a proper study of Marxism-Leninism or the line adopted by Mao Tse-tung. How these could be used as a beacon light in the Indian situation was not thought of.

The wrong approach led to wrong policies and resulted in wrong actions.

The adoption of the annihilation theory and individual terrorism were results of this kind of thinking.

Mr. Sanyal was optimistic that the unity of communist revolutionaries could be brought about because there was agreement among the various groups that an agrarian revolution was absolutely essential.

This was not the time to try doctors, or one or two contractors, or other corrupt elements.

"This is the time to assess the Indian situation in the Marxist-Leninist perspective, to resist deviationist tactics and to launch a campaign of the peasantry, without alienating the masses," Mr. Sanyal added.

He felt that India was facing a twin threat: from the American imperialism and the Soviet imperialism.

"Mrs. Gandhi is playing a game between these two superpowers. A time may come when an Afghanisation may be repeated in India," he observed.

Mr. Sanyal termed as lukewarm, the CPI (M) opposition to the Essential Services Maintenance Ordinance.

Why can't the CPI (M) organise a mass movement against the ordinance in West Bengal, where that party is strong? They will not, because they are in power there," he remarked.

Mr. Sanyal accompanied by Mr. Ajit Sinha of Bihar, is here in connection with efforts to bring the communist revolutionaries in the country under one banner.

CSO: 4220/7592

NEW CHIEF SECRETARY FOR TAMIL NADU APPOINTED

Madras THE HINDU in English 22 Aug 81 p 1

[Text] Madras, Aug. 21--Mr. K. Diraviam, IAS, Second Secretary to Government and Development Commissioner, has been appointed Chief Secretary to the Tamil Nadu Government.

Mr. V. Karthikeyan, IAS, till now Chief Secretary, has been made full-time Chairman of the State Planning Commission.

The posting orders were issued this afternoon and both Mr. Diraviam and Mr. Karthikeyan assumed charge of their new assignments immediately.

Hitherto, the Chief Minister was ex-officio Chairman of the State Planning Commission. In the course of the order creating the post of a full-time Chairman, the Government stated that the planning body had to play an increasingly important role in drawing up the annual plans and in monitoring and evaluating them. It was therefore considered necessary to streamline and strengthen the Commission. The new post of Chairman would be equivalent in status and responsibility to that of Chief Secretary to the Government, the order said.

Mr. Diraviam, who is 56, joined the State Government service in 1947 as Deputy Director of Information and was later promoted as Director. He was selected for the IAS in 1958 and since then he has held various posts including Collector of Chingleput and Madurai, Director of Rural Development, Director of Agriculture and Food Secretary, before becoming Second Secretary a year ago.

Simultaneously with the creation of the post of full-time Planning Commission Chairman in the cadre of Chief Secretary, the Government upgraded four more posts to the level of Chief Secretary, the reason given being either "administrative interest" or "public interest."

The posts are the Special Commissioner to the Government at New Delhi, the Vigilance Commissioner and Commissioner for Administrative Reforms; the Chairman-cum-Managing Director, State Civil Supplies Corporation; and the Chairman, Tamil Nadu Small Industries Development Corporation (SIDCO).

While Mr. Ramchander, IAS, now Special Commissioner and Commissioner for Land Administration, has been transferred to the upgraded post of the Chairman, SIDCO,

Messrs. T. S. Sankaran, IAS, S. P. Srinivasan, IAS, and R. Natarajan, IAS, will continue to be the Special Commissioner to the Tamil Nadu Government at New Delhi, the vigilance Commissioner and Commissioner for Administrative Reforms, and the Chairman-cum-Managing Director, State Civil Supplies Corporation, respectively, in the upgraded posts.

CSO: 4220/7598

GUJARAT UNIT OF CONGRESS-U MEETS, DISSOLVES

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 1

[Text] Ahmedabad, August 21. The state unit of the Congress(U) was dissolved today. The decision to separate the state unit of the party from the Congress (U) and function as a Congress forum was taken at a Committee meeting which hardly lasted an hour here today.

The executive meeting, presided by the state unit president, Dr Thakorebhai Patel, also decided to hand over its property, including a two-storied building in the posh locality in the city, to the Congress(I). It empowered Dr Thakorebhai Patel and Mr Hitendra Desai to look after the modalities of handing over the property to the Congress(I).

The executive meeting was attended among others, by Mr Hitendra Desai, Mr Chaganghai Bharyad, Mr Hariprashad Thakore, Mr Ahsan Jafri, Mr Kasturbhai Gandhi and Mrs Urmilaben Bhatt, former deputy health minister in the state.

The resolution adopted at the meeting said that the executive had considered the recent political developments in general and the efforts made by the Congress (U) president, Mr Devaraj Urs, to merge the party with other opposition parties.

The resolution said: "The executive committee is fully satisfied that the Congress(U) is on the way to complete dissolution. It appears that it will either merge with other political parties or will get dissolved."

The resolution added that the executive committee of the state unit of the party had full faith in the ideals laid down by the all-India Congress constitution and the Congressmen who had full faith in those ideals had no other alternative but to separate from the party which made efforts to merge with other opposition parties.

According to Dr Patel, the resolution was conveyed to Mr Devaraj Urs. Meanwhile, Mr Hitendra Desai had also written a letter to Mr Urs conveying his decision to quit from the working committee of the Congress(U) with immediate effect. In it, he stated that the Congress(U) had virtually ceased "under your presidency" or would cease soon. Mr Desai also resigned from the primary membership of the party.

CSO: 4220/7595

FORMER MEMBERS REAPPOINTED TO UTTAR PRADESH CABINET

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 1

[Text] Lucknow, August 21: In an important cabinet reshuffle tonight, the chief minister, Mr Vishwanath Pratap Singh, rehabilitated Mr Vidya Bhushan, once considered close to the late Mr Sanjay Gandhi, by making him tourism minister. In a sudden move last year, the chief minister had divested Mr Bhushan of his key portfolios of forest and tourism and reduced him to the status of a mere minister of sports, a department held till then by a junior deputy minister.

The other cabinet minister gaining in tonight's reshuffle is the labour minister, Mr J. C. Dikshit, who was given the additional charge of national integration. The newly sworn-in cabinet minister, Mr Naunihal Singh, was given the portfolio of forests.

The chief minister tonight appointed Mr Gopalram Das, Mr Gulab Singh and Mr Shivraj Singh, minister of state, as ministers in charge of divisions, with their headquarters at divisional towns.

A significant development today was the allocation of the key portfolio of information to Mr Kashi Nath Mishra. This department was recently taken over from Dr Amar Rizvi by the chief minister himself, Mr Mishra, a former Lohia socialist, had been the chief election campaigner for Mr Singh at the Tindwari by-election last June. Mr Mishra, who is the finance and planning minister, has thus emerged as an important minister of state, though he was expected to be raised to the cabinet status.

A deputy minister, Mr Nirmal Kumar Khattri, Youth Congress(I) leader and grandson of Acharya Narendra Deo, has been given the additional charge of power, Mr Khattri, who belongs to Faizabad, was a key campaigner in the recent Amethi Lok Sabha by-election.

The legislator from Lucknow city, Mrs Premwati Tewari, becomes the new minister of state for education. Mr Ranjit Singh Judev of Jhansi becomes the minister of state for tourism and forests, while Mr P. K. Sharma, who had defeated the former Lok Dal chief minister, Mr Banarsi Das, in the Amapshahr vidhan sabha constituency, has been given the portfolio of general administration under the home department.

SHEIKH ABDULLAH CALLS FOR ELECTION REFORMS

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 9

[Text] Srinagar, August 21. Sheikh Mohammed Abdullah, who relinquished the presidentship of the ruling National Conference after an eventful tenure, today expressed his concern over developments with the country and its neighbourhood.

Addressing a large rally gathered at Iqbal Park to witness his eldest son, Dr Farooq Abdullah, assuming charge as the party chief, the Sheikh pleaded for evolving a consensus to remove the shortcomings in the political system. The need for constitutional amendments and electoral reforms was very urgent. The recent developments in neighbouring countries had only highlighted the need for urgent solutions of internal problems.

The Sheikh called for the withdrawal of Soviet troops from Afghanistan but said that it was difficult to separate this question from other matters.

The Sheikh also referred to India's ties with Pakistan and China. He urged Pakistan not to play into the hands of other powers and thereby cause damage to itself as well as to its neighbour. Pakistan should have learned from the experience of the wars it had fought with this country and should now attempt to establish friendly relations.

China, he said, was a great neighbour and it was in the interest of both countries to have friendly relations. If the two countries came closer, there would be lessening of tension in this region and consequently, less scope for manipulation by super powers.

He called for withdrawal of super powers from the Indian Ocean. Incidents of communal nature occurring occasionally in various parts of the country were to be condemned by every patriotic Indian. He said India was the ideal of a secular state and occasional incidents here and there could not deter the Muslims of India from playing their due role in the country.

Referring to developments at Aligarh Muslim University, he said Muslims of the country were feeling perturbed over the incidents at the institution. Elements behind the incidents at Aligarh should be exposed and this centre of learning restored to its original glory.

KASHMIR NATIONAL CONFERENCE HOLDS ANNUAL MEETING

Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 1

[Article by D. P. Kumar]

[Text] Srinagar, Aug. 22--The annual session of the ruling National Conference to-day committed itself to restore the pre-1953 autonomy that the State of Jammu and Kashmir enjoyed. It urged the Centre to abrogate certain laws and constitutional provisions extended to the State by the Centre between 1953 and 1974. The party felt that these laws had eroded the State's autonomy substantially.

A political resolution towards a "new Kashmir" and autonomy adopted by the National Conference characterized this extension of laws and constitutional provisions as "an encroachment upon the sovereign right of winning for the State an honoured place in the federal system of the republican Constitution of India."

The election manifesto of the party, on which it won a "thumping majority" in the State Assembly, had pointed out that 300 pieces of such legislation and constitutional provisions had been extended to Kashmir between 1953 and 1974.

Sheikh Abdullah was incarcerated in 1953 and he returned to power in 1975. His Government had pledged itself to seek the abrogation of the laws as soon as possible. A Cabinet Committee of the State has now submitted its report to the Chief Minister to enable the State Government to move the Centre in this matter.

The resolution said that the encroachment on the State's autonomy had been done by the continued incarceration, internment, court trials of the real leaders of the State and use of bullets by a repressive machinery against the people of the State.

In a resolution on constitutional and electoral reforms, the National Conference asked for the appointment of a national commission to consider various issues relating to the Constitution and the electoral system. The resolution wanted such a commission to be manned by eminent constitutional experts.

The resolution referred to the plea made by some leaders for substitution of the present system by a presidential form of Government and its opposition by others. It also noted the mood of confrontation that was developing between the executive and the judiciary. These issues should be gone into by the commission.

Elections

Elections to the Jammu and Kashmir Assembly might be held sooner than scheduled. An indication to this effect was given by Dr Farooq Abdullah, M.P., son of Sheikh Abdullah, to whom the Sheikh handed over the reins of the ruling National Conference at a ceremonial function yesterday. In the context of reports that the Sheikh would probably like to hand over the reins of the Government to his son as well, the holding of a mid-term poll becomes meaningful.

Dr Abdullah said in an interview today: "We are ready to go to polls tomorrow. Our opponents will be shocked when they know that it is coming that soon".

Asked whether after his inauguration as president there was a proposal to hold elections earlier than July 1983, when they are due, he said a final decision would be taken by the central committee of the National Conference when it meets over the next three or four weeks. A new Central Working Committee will be formed.

Asked whether there was a possibility of him becoming the Chief Minister, he replied: "I do not automatically become the Chief Minister of the State. A Chief Minister will be chosen by the people".

CSO: 4220/7602

NEW KASHMIR LEADER ASKS CONGRESS-I WITHDRAWAL

Calcutta THE STATESMAN in English 24 Aug 81 p 1

[Text] Srinagar, Aug. 23--Mr Farooq Abdullah, president of the ruling National Conference, has suggested to Mrs Gandhi that she wind up the Congress (I) unit in Jammu and Kashmir.

Speaking on the last day of the three-day annual session of his party here today, Mr Abdullah said no other party except his own had any future in the State.

He added that it was a deep-rooted conspiracy to thrust the Congress party on the people of the State in 1965 who had always demonstrated their faith in the leadership of his father, Sheikh Abdullah, whether in or out of power.

Earlier, in a resolution on the rehabilitation of the people displaced during the 1947 Indo-Pak conflict, the National Conference asked the Centre to take speedy measures to rehabilitate all such people.

UNI adds: A proposal to throw open the Srinagar Rawalpindi Road, made by Sheikh Abdullah during a 1964 visit to Pakistan was turned down by the then Pakistani President, Field Marshal Ayub Khan, on the ground that it would mean recognition of India's right over Kashmir and would thus weaken his country's case on the "Kashmir dispute".

Disclosing this here today, the Sheikh said President Ayub Khan had expressed the fear that it would be a grave security risk for Pakistan.

The Sheikh reiterated that the Pakistani occupied Kashmir was a part of India and continued to remain so legally and constitutionally.

CSO: 4220/7605

URS RESIGNS CONGRESS-U PRESIDENCY, PARTY REMAINS

New Delhi PATRIOT in English 25 Aug 81 pp 1, 7

[Text] Mr Devraj Urs resigned as AICC-U president on Monday.

And immediately, consensus began emerging in the working committee on installing Mr Sharad Pawar in his place, and continuing the party's independent identity with a new name, with possible alliances with like-minded parties.

Mr Urs read out his resignation letter and placed it before the CWC-U which met for three hours and a half to decide its future, following its derecognition by the Election Commission and the Supreme Court.

Mr Urs told the 50-odd CWC-U members that a campaign had been launched in the party and in the press that the leadership should be passed on to the younger elements. Also, he was finding it difficult to move out of Karnataka, his home State, to look after the party work.

According to sources Mr Urs' decision did not surprise the members. Only two members--Mr Ram Nath Pandey (MP) and Mr Ram Lakhan Yadav (Bihar)--pleaded with Mr Urs not to resign.

Mr Urs was however, persuaded to conduct the meeting as also its extended meeting on Tuesday. Sources said the resignation issue would be taken up at the end of the extended sitting.

Identity Issue

Most of the speakers at meeting reportedly favoured that the party retain its identity because merger with any other party would amount to its 'liquidation'. Views were expressed in favour of an alliance with (1) left democratic parties, (2) with non-left anti-Cong I forces and, (3) alliances with all anti-Mrs Gandhi forces.

Mrs Purabi Mukherjee (West Bengal) told the meeting that she would rather quit the party than allow the party's merger. Mr A K Antony (Kerala) where the Cong-U is a partner in the Government, was opposed to any merger and even changing the party's name. There should be no hurry about it, he said.

Mr Rajni Patel (Bombay) felt that those wanting to leave the party should be allowed to go, but they should make their intentions clear.

The CWC-U discussed some names for the party. Mr Urs when approached by newsmen, said some half a dozen names were suggested in which 'Congress', 'Democratic' and 'Socialist' figured. But no decision was taken. According to a CWC-U member the two names discussed most were 'Indian National Democratic Congress' and 'Indian National Socialist Congress'.

Youth Groups Clash

While the CWC-U was meeting about two dozen Youth Cong-U workers, supporters of Mr Urs clashed with anti-Urs Youth Cong-U workers for about 10 minutes, led by Mr Satish Verma IYC(U) secretary. The pro-Urs workers raised slogans demanding resignation of Mr K P Unnikrishnan and Mrs Ambika Soni, general secretaries and demanded dissolution of the IYC(U). The other group, led by Mr Suresh Kalamadi, IYC(U) president, shouted pro-Urs slogans.

Police had to be called to control the situation. No injuries were reported.

Mr Kalmadi told newsmen later that some supporters of Mr Suresh Ram son of Mr Jagjivan Ram had entered the AICC-U office and started shouting slogans.

Among those who attended the Monday's meeting were: Mr Sharad Pawar, Mr A K Antony, Mr Rajni Patel, Mr D K Borooah, Mr Vayalar Ravi, Mr Sarat Chandra Sinha, Mr Bholu Paswan Shastri, Mr Priya Ranjan Das Munshi, Mr Raj Bahadur, Mr Yunus Saleem, Mr Dharambir Sinha and Mr Suresh Kalmadi besides AICC-U general secretaries Banka Behary Das, Mr K P Unnikrishnan and Mrs Ambika Soni.

Also present were about 50 CWC-U members, including presidents of several PCCs and MPs, who were special invitees.

CSO: 4220/7607.

SINGH EXPLAINS STAND ON RELIGIOUS CONFERENCES

Calcutta THE STATESMAN in English 22 Aug 81 p 9

[Text] New Delhi, Aug. 21--Mr. Zail Singh, Home Minister, told the Rajya Sabha yesterday that it was the Government's right to take "appropriate" steps against a religious conference if it was convinced that the conference's objective was to challenge the lawful Government.

Mr Zail Singh said it was not correct to say that Muslims alone were using their religious congregations for political purposes. Other communities like Sikhs, Hindus and Christians were exploiting religion for other purposes too, he alleged.

But Muslims of India would oppose if their congregation in which Muslims from the world over were called challenged the Government of the land, he told a member belonging to the minority community.

The Home Minister was replying to supplementaries to a question tabled by Mr J. P. Mathur and Mr Kalraj Mishra, both BJP. He refused to disclose the name of those Muslim leaders who were refused visas to enter the country for attending the conference in Hyderabad.

Mr Mathur said people from other countries had attended a Muslim conference in Srinagar in June last year. They included a representative of Ayatollah Khomeini. The member referred to another Muslim conference in Hyderabad and quoted a report from a journal about the refusal of visas. He brought to the notice of the House an advertisement announcing the formation of "hilal fund" of \$1 billion to provide interest free loan to Muslims.

The Minister of State for Home Affairs, Mr Yogendra Makwana, said he could not say whether diplomats from Arab countries had attended the two conferences mentioned by Mr Mathur as they were not under "surveillance". However, the Government was alert about the anti-national elements, Mr Makwana added. The reasons for not granting visas, he said, could not be disclosed.

Mr Mathur alleged that the Kashmir conference was political as it had supported the right of Kashmiris for self-determination. All that Mr Makwana would say was it was a religious conference.

Mr Mathur, Mr Mishra and an AIDMK member mentioned the statement of Mr R. V. Swaminathan, Union Minister of State for Agriculture, that Rs 300 crores were being used for conversions. Mr Zail Singh said he had no knowledge of it. When one member cited a newspaper report quoting Mr Swaminathan, the Home Minister said: "Newspaper reports cannot be trusted".

Earlier, replying to the main question Mr Makwana said 26 conferences, arranged at various places in India by Muslim organizations since January, 1980, were attended by some foreign nationals. He placed a statement showing the nature of conferences, and their dates and venues, on the table of the House. He added that since these conferences were not organized or sponsored by the Government, "no specific information is available with the Government regarding the participants or proceedings of these conferences".

CSO: 4220/7597

TRIPURA CHIEF MINISTER ON PROTECTION TO TRIBALS

New Delhi PATRIOT in English 9 Aug 81 p 5

[Text] Itanagar, Aug 8 (UNI)--Tripura Chief Minister Nripen Chakravarty expressed concern over extremist activities in the North East region and declared that tribals in his State would be given protection.

Mr Chakravarty, who left here this morning for Ziro, the district headquarters of the Lower Suban siri district, told UNI that the Government proposed to take measures to protect the tribals interests and culture. A vast area would be "demarcated" for them which could not be sold to non-tribals.

The Chief Minister said he had held discussions with the Home Minister and other officials in Delhi in this connection.

Mr Chakravarty said under the proposed measures, interest of the tribal minorities would be "adequately protected." Only the tribals would be eligible to contest the local parishad, mahakuma parishad and Assembly elections in the "tribal compact area."

He regretted that his Government's "genuine" efforts to maintain peace and tranquillity in the border state had been obstructed by Cong-I workers. "I do not know what they want," he said.

He said the interest of tribal and local people in north eastern States should be protected by the Centre as well as State Governments, otherwise all attempts to generate real integration would fail, he added.

CSO: 4220/7533a

DELHI FORMULATES 12-POINT PLAN FOR ASSAM

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 1

[Article by K. N. Malik]

[Text] New Delhi, August 17. On the eve of the official talks to solve the Assam impasse, neither the government nor the Assam agitation leaders have any concrete proposal or formula to tackle the controversial issue of the status of those who entered Assam between 1961 and 1971.

The agitation leaders have already accepted a suggestion that all those who entered Assam before 1961 will be automatically granted citizenship. The government on its part agreed to deport from Assam all those who infiltrated into the state after 1971.

The dispute remains on the status of infiltrators who came to the state between 1961 and 1971. The Shillong talks, last month, could not narrow the differences between the government and the agitation leaders either on the estimates of the number of 1961-71 infiltrators or the modalities of detection, and deletion of their names from the electoral rolls of their settlement outside Assam.

The government estimates the number of infiltrators at about three to four lakhs. The agitation leaders say the number of infiltrators is not less than 11 lakhs.

Number of Infiltrators

The government feels that the difference on this point can be resolved. When the agitation started, the leaders wanted 47 lakh infiltrators to quit the state. Several rounds of talks have now narrowed down this problem to 11 lakhs. Out of these, three lakhs have been deported after 1971. Another three lakhs are bonafide refugees. Another one lakh would be the children of those settled in the state before 1961. The actual dispute is about 4 lakhs. Should the talks flounder on this point?, the government sources ask.

As for the modalities, the government has offered several proposals which could have clinched the issue. Unfortunately, they have not been given serious consideration. A proposal made at Shillong was that the government would detect 1961-71 infiltrators, delete their names from the electoral rolls and they would be given attractive incentives to settle outside the state. This would exclude those who can establish their bonafide as refugees who came to Assam due to persecution or fear of persecution in erstwhile East Pakistan.

This would have protected the bonafide refugees and would have at the same time met the Assam agitation leaders' demand to oust all those who infiltrated into Assam during 1961-71.

To create a psychological impact, the government was prepared to climb down on the cut-off year.

Instead of 1971, the government threw a feeler for 1966 as the cut-off year. The main consideration was that since the half of the refugees had entered Assam by 1965, it would make no material difference if 1966 became the cut-off year. The agitation leaders did not respond to this proposal. They had earlier rejected 1967 as the cut-off year.

Though no cut-and-dried formula was offered by the government, a 12-point package was conveyed to the agitation leaders through unofficial mediators.

This proposal provides for machinery to consider the citizenship claims to those who entered Assam between 1961 and 1971. Those who fail to establish their claims are to be settled outside the state with proper incentives and eventually given citizenship.

All those who entered Assam before 1961 are to be automatically granted citizenship while those who entered after 1971 are to be deported.

Effective steps will be taken to further strengthen the security arrangements on the borders with a view to preventing illegal entry of foreigners.

Voters in Assam will be issued identity cards with their photographs affixed.

Citizenship Certificates

In future, citizenship certificates will be issued by the authorities of the Central government.

A house-hold register will be prepared.

It will be ensured that birth and death registers are maintained properly.

Measures to prevent encroachments of government lands will be strictly enforced.

Foreigners will continue to be detected on the basis of the constitution and the relevant laws, including the Citizenship Act and the Passport Act. In doing so, the government records will be made use of. All certificates, land record, ration cards, NRC 1951, electoral rolls and other relevant records and documents will be honoured. In identifying foreigners it will be ensured that no person is harassed.

Persons found to have entered Assam and residing there before 1961 shall be conferred citizenship as a matter of course.

The foreigners who came to Assam between 1961 and 1971 shall be detected. A machinery which commands the confidence of all concerned will be set up for this purpose.

Every foreigner so detected shall be given an opportunity to produce, within three months, evidence to establish before the tribunal set up for this purpose that he/she has a claim to citizenship. The name of such foreigner who fails to furnish such evidence or whose case is rejected by the tribunal shall be deleted from the electoral rolls.

An appeal shall, however, go to a special appellate tribunal against any adjudication or trial by such tribunal.

The government shall take all possible measures to settle such foreigner whose right to claim citizenship has been rejected or whose name has been deleted from the electoral rolls in a place outside Assam. The government shall provide incentives to such a foreigner to facilitate higher settlement in the new place of settlement. No citizenship shall be conferred on such person whose name has been deleted unless he/she settles permanently outside Assam.

According to government estimates, at least Rs one lakh will be required to settle each of such people. When East Pakistan refugees were settled in India, the government spent Rs 65,000 per head on settlement in Dandakaranya.

The government has already decided on locations to settle the refugees in Dandakaranya and in areas bordering Madhya Pradesh, Orissa and Andhra Pradesh.

The agitation leaders, however, are hesitant to positively respond mainly because of lack of trust. They feel that the government has so far given no proof that it will honour its commitments.

Lack of Trust

The infiltration remains unabated and the government has not so far spelt out the nature of incentives. Nor has it indicated the areas, where the infiltrators will be resettled. The crackdown on the press, the arrest on August 15 of Mr Prafulla Baruah, editor of the DAINIK JANMABHUMI. Jorhat, ban on strikes and arrest of agitation leaders are being taken as government efforts to break the agitation. They see in continued talks a means to tire the agitation leaders.

Some comfort can, however, be drawn from the fact that in spite of stiff government attitude and bandhs, strikes, even boycott or Independence Day function, the talks will be resumed tomorrow. This indeed means a thaw in the situation.

The official team will be led by Mr C. R. Krishnaswamy Rao Sahib, Mr M. L. Kampani, additional secretary, home affairs, and a representative of law ministry will also be included.

The Assam team will include the AASU president, Mr Prafulla Kumar Mahanta, general secretary, Mr Bhrigu Kumar Phukan, and AAGPSP members, Mr Pabindra Deka and Mr Arup Bordloi.

BIHAR FORMS FORCE TO PROTECT HARIJANS

New Delhi PATRIOT in English 18 Aug 81 p 4

[Text] Patna, Aug 17--Bihar Chief Minister Jagannath Mishra today attributed the cases of atrocities on Harijans (during 1977-79) to the lack of political will and determination on the part of the Janata Government.

Addressing the coordination committee attached to the welfare department, Dr Mishra said that the incidents at Belchi, Kaila and Bishrampur had created a sense of insecurity among the Harijan. Fortunately, a definite change in climate had occurred after Mrs Gandhi's return to power, he added.

Dr Mishra said that though the incidents had occurred during the Janata regime, hearing in the cases did not begin until after the installation of the Cong-I Government. He asserted that as a result of the vigilance by the Cong-I Government, 108 persons framed in these cases were sentenced to life imprisonment and two others to death.

He said that the Centre, particularly the Prime Minister, had appreciated the State Government's efforts in preventing atrocities on Harijans. With the result no case of organised violence against Harijans had taken place during the past one year in Bihar except at Pipra, he claimed.

Assuring total protection to the Harijans, Dr Mishra said that a special force had been created by the State Government for their security. Persons recruited to this force would be adequately briefed about the economic and other schemes launched for the benefit of the weaker sections.

Referring to the reservation policy the Chief Minister said that he had issued strict instructions for its implementation.

CSO: 4220/7580

NAXALITE GROUP'S INFLUENCE REPORTED SPREADING

Calcutta THE STATESMAN in English 18 Aug 81 p 16

[Text] The Nishit Bhattacharya-Azizul Huq group of Naxalites, which still believes in the 1970 model of individual killings, has spread its influence considerably in West Dinajpur and Bankura, according to the Left Front leader and the West Bengal Forward Bloc secretary, Mr Asok Ghosh. He had recently toured these districts.

This pro-Lin Biao group does not believe, like some other Naxalite groups, that meetings and demonstrations will be useful in spreading their influence. It moves secretly and remains essentially an underground organization.

Mr Ghosh thinks that the number of murders committed by this group during the past six months has not been properly accounted for. About a month ago, it observed the death anniversary of the founder of the CPI(ML), Charu Majumdar, by addressing letters to select people like judges, headmasters of schools, prominent shopowners, Government officials and busowners. From Malda to Siliguri, not a bus plyed most of the schools were closed and banks and offices did not function on that day. Mr Ghosh thinks that this is more serious than the gun-snatching a few months ago. The problem cannot be tackled by the police only.

The Forward Bloc leader, who also toured Purulia and Bankura districts, thinks that the Jharkhand Mukti Morcha is trying to foment in the local people a hatred towards so-called outsiders by instigating the Mahato community. The campaign has not taken a violent turn but it may in the near future if the JMM continues that hate campaign.

Mr Ghosh admits that not much has been done for opening new avenues of employment in these two districts over the past four years although promises had been periodically made by the Congress, Janata and Left Front leaders. But there should be a political campaign to see that the genuine grievances of the people are not misdirected along this divisive channel. Mr Ghosh said on Monday that he would raise these issues at the next front meeting.

CSO: 4220/7577

LOK SABHA DISCUSSES SITUATION IN SRI LANKA

Bombay THE TIMES OF INDIA in English 20 Aug 81 p 13

[Text] New Delhi, August 19. Concern over the developments in Sri Lanka "since they affect a large number of persons of Indian origin and possibly some Indian citizens" was voiced by the government and parliament members in the Lok Sabha today.

This was tempered by acknowledgement by both sides that the incidents in the island republic were an internal matter and India was keen not to let these affect relations between the two countries.

The sensitive nature of the issue was underscored by some of the opposition members themselves who suggested that the house should be content with for the present with a statement by the minister for external affairs, Mr P. V. Narasimha Rao.

Mr Subramaniam Swamy (Janata) and Mr Indrajit Gupta (CPI) noted that there was "some merit in the suggestion." However, the speaker said he would go by the consensus of the house. The DMK members as also Mr Ram Bilas Paswan (Lok Dal) whose calling-attention notice had raised the issue maintained that the members should be allowed to seek clarification.

President's Visit

Some of the participants, including Mr Paswan and Mr G. M. Banatwala (ML), thought that if the President had gone to Sri Lanka on his scheduled visit, the situation would not have deteriorated.

Mr Narasimha Rao, disagreed with the members reiterating that what had happened was an internal matter of Sri Lanka. He thought it was proper for the President to have postponed the visit in view of the situation there. In any event, plans for the visit had not been cancelled. It was likely to materialise in December.

He also assured the members that the government had been in constant touch with the administration in Sri Lanka and, according to reports, there had been improvement in the situation.

He also asked the members not to link the present incidents with the implementation of the Indo-Sri Lanka Pact on citizenship for the people of Indian origin in the island.

Mr Banatwala also made a reference to the attacks made by the police in Jaffna on Tamils. To this, the minister pointed out that according to information received by him, the Sri Lanka government had taken action against such policemen.

Main Victims

Stating that the incidents would have no bearing on the relations between the two countries, Mr Rao hoped that the government of Sri Lanka would succeed in its effort to put an end to the present violence and restore confidence so that the present difficulties would be resolved soon and "no shadows are cast on the traditional close relations which exist between India and Sri Lanka."

Mr Narasimha Rao recalled the developments in Sri Lanka and said that during the election campaign for new district development councils in May-June, communal violence broke out in the Jaffna area leading to a number of casualties and considerable destruction of property. A state of emergency was declared and under control with the help of the armed forces.

"There has been a recurrence of communal violence in the last few days. This has been concentrated around Colombo and in the estate areas in the centre of the island. The main victims are Tamils, the majority of whom are workers in the estates. There have been a number of deaths and numerous incidents of arson, looting and violence. Several thousand estate workers have been forced to abandon their homes.

"The government of Sri Lanka has again declared an emergency and the armed forces have once more been called in to control the situation. The government of Sri Lanka has also set up a machinery for the rehabilitation of those affected in the recent events. Due to the confused situation, we have not yet been able to obtain detailed information as to how many Indian nationals have been affected, Mr Narasimha Rao said.

The minister told the MPs that the government of Sri Lanka had "kept us informed of the turn of events and the steps taken by them stating that they view these events with the utmost seriousness and are determined to restore normalcy."

CSO: 4220/7585

STEADY INFLUX OF BANGLADESH REFUGEES CONTINUES

Calcutta THE STATESMAN in English 22 Aug 81 p 3

[Text] A steady influx of refugees from the Chittagong Hill Tracts in Bangladesh to Tripura ever since the assassination of President Ziaur Rahman is disturbing the Indian authorities. It was learnt from informed sources in Calcutta on Friday that at least 3,627 people had already crossed over and more were entering Indian territory every day.

The sources said that the rate of influx was increasing. The exodus started in June. By July 8, about 1,650 people had crossed over and by July 23 the figure had soared to about 2,300. The Tripura Government had opened three relief camps to accommodate the refugees, he added.

Most of the evicted persons were Tripuris, who were Hindus by religion, followed by Chakmas and Mogs. Most of the Chakmas were Buddhists. It has been officially recorded that about 2,890 Tripuris, 515 Chakmas and 220 Mogs had already entered India. About 1,430 refugees have been accommodated at the Kalachari camp, over 1,300 at the Silachari camp and nearly 875 at the Baishnabpur camp in Tripura.

The sources alleged that there were reports of persecution of the minority communities by a section of Bangladesh security forces along with some refugees from Burma who had recently settled in the Chittagong Hill area. The Chakmans had been demanding antinomy for a long time and had formed the Santi Bahini, said to be an insurgent organization. However, the Mujib Government, and later the Zia Government, held a dialogue with them for a reconciliation.

The picture changed after the death of President Zia. The sources alleged systematic burning down of villages and indiscriminate shooting of people. Persecution of Tripuris was said to be a new phenomenon.

Among the places worst affected in Bangladesh were Khedachara, Dhalla, Belachari and Ichachar Ghanti. The Indian Border Security Force was trying to stop the exodus, but people were continuing to cross the border, taking advantage of the terrain.

CSO: 4220/7597

PRC TO PERMIT INDIAN PILGRIMS INTO TIBET

Madras THE HINDU in English 23 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug. 22--The Chinese have agreed to permit three groups of Indian pilgrims, each consisting of 15 persons, to visit Mount Kailash and Lake Mansarovar on the Tibetan side of the Himalayas starting from next month, it was officially announced today.

These holy places have been thrown open to Indian pilgrims on a restricted scale for the first time in 20 years after the Sino-Indian border conflict.

An External Affairs Ministry spokesman said that the first batch will leave Delhi on September 8, the second one in September 12 and the third on September 18. The selection will be made on the basis of lots drawn after advertising in the newspapers for applications for intending pilgrims.

The pilgrims will have to trek a total of 300 km on the Indian and Tibetan sides to reach these holy places. The route on the Indian side will be from Delhi to Tanakpur, Pithorgarh, Dhar Chula, Tawaghat, Garbyang, Gunji and Kalapani to reach the Lipuleh pass, from where they will proceed to the roadhead on the Chinese side.

The pilgrims will travel by bus from Delhi up to Tawaghat, and then trek or ride ponies depending on weather and road conditions. The 300-kilometre trek will include "parikrama" of Mount Kailash and Lake Mansarovar.

The cost of the pilgrimage will be Rs. 2500 on the Indian side, and \$200 to 250 on the Tibetan side.

The Department of Tourism is making the arrangements in coordination with the Chinese authorities who will be handling the travel arrangements on the Tibetan side.

Each group of pilgrims will be spending about seven days on the Chinese side. There will be a gap of five days between each group, and the pilgrimage can be completed in four weeks from the time of their start of the journey till the return to Delhi.

The pilgrims will be medically examined before the commencement of the journey to ensure that they will be able to bear the strain of high altitude, and crossing mountain passes to nearly 16,000 ft.

The decision to throw open Kailash and Mansarovar to Indian pilgrims on a restricted scale was announced by the Chinese Foreign Minister, Mr. Huang Hua, during his visit to Delhi.

CSO: 4220/7604

ALL-INDIA URDU CONFERENCE MEETS IN HYDERABAD

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 13

[Text] Hyderabad, August 22 (UNI)--An all-India Urdu conference here today demanded reservation and proportional representation in jobs and professional courses for Urdu-speaking people to ensure the "rightful place of the language in the country."

The conference which was inaugurated by the chief minister, Mr. T. Anjiah, also adopted a resolution urging the Central government to create a cell for Urdu in the university grants commission.

It also demanded that the states with sizable Urdu-speaking population should declare Urdu as the second official language.

Mr. Anjiah in his inaugural address warned against attempts to use Urdu as an instrument to create trouble in the country. He wanted Urdu to be developed since it was a "language of the nation."

He also advised Urdu-speaking people to learn Telugu and other languages.

Begum Abeda Ahmed, MP, who was the chief guest, said Urdu was a cultural heritage of India.

She said that Urdu, which had enjoyed the position of a national language, had become the victim of "misunderstandings" and suffered heavily. However, the people were striving for a due place for it with renewed zeal under the leadership of Mrs. Indira Gandhi, she said.

The state education minister, Mr. B. Venkata Ram Reddy, said the government had decided to open an Urdu-medium residential school in the old city. He also said that the government would give financial assistance to institutions teaching Urdu to non-Urdu-speaking people.

The conference president, Mr. Mohammed Jaleel Pasha, demanded that the proposed world Urdu conference should be held in Hyderabad.

CSO: 4220/7600

MINISTERS REPORT ADVERSE TRADE BALANCE FOR '81-82

New Delhi PATRIOT in English 19 Aug 81 p 5

[Excerpt] The adverse balance of India's trade for 1981-82 is estimated at around Rs 5,500 crores, Minister of State for Commerce Khurshid Alam Khan told Dr (Mrs) Najma Heptulla and another member in a written reply in the Rajya Sabha on Tuesday, report agencies.

Finance Minister R. Venkataraman informed the House that the current year's budget deficit is estimated at about Rs 3,300 crores so far. This is proposed to be covered by receipts under net external aid, borrowing of various types and some draw-down of reserves.

Exchange Reserve: India's foreign exchange reserves (excluding gold and SDRs) stood at Rs 4,295.22 crores on 26 June last he also stated.

The Minister told Mr Mulka Govinda Reddy that the provisional estimate of India's export from 1 January to end of May last stood at Rs 2,681.92 crores.

The estimated non-export gross invisible receipts from Indian nationals abroad during January-June stood at Rs 2,605.77 crores.

This represented gross non-export receipts from airlines, shipping, insurance, dividend and tourism.

He said no borrowings have been made from IMF so far during the current year.

CSO: 4220/7584

FOREIGN OIL FIRMS OPPOSE 5-YEAR EXPLORATION LIMIT

Madras THE HINDU in English 18 Aug 81 p 10

[Text] New Delhi, Aug 17--Foreign companies with whom the Petroleum and Finance Ministries are negotiating for leasing out blocks for off-shore exploration are insisting on a major departure from the guidelines laid down by the Government in its circular to all the short-listed companies before they could consider entering into an agreement.

One of the guidelines is that the foreign companies should hand over their entire operations to the Oil and Natural Gas Commission (ONGC) at the end of five years after discovery and production of oil.

A number of companies, including Philips Petroleum, Occidental Exploration and Production Company, British Petroleum, Compagnie Francaisedes Petroles (CFP), Chevron, etc. have told the Petroleum Ministry that this condition is unacceptable.

According to some of them, the five-year time limit is unrealistic and they have cited the experience of ONGC itself in the Bombay High offshore oil fields.

Oil was discovered in the Bombay High in 1974 and the full potential of production will amount to about 20 million tonnes a year not earlier than 1984-85.

The companies have pointed out that the Government should not expect them to hand over complete control to the ONGC in five years, since it might take much longer to achieve the full production potential.

Tax liabilities: The more difficult part of the negotiations relates to the demands of the companies in their tax liabilities and the net profit after tax.

In the 1981-82 Central budget, a new section was introduced in the Companies (profits) Surtax Act to enable the Government to make an exemption, reduction in the rate of other modification in respect of surtax in favour of foreign companies with whom it enters into agreements for oil exploration.

This power will be available in relation to chargeable profits earned by such foreign companies from the business of oil exploration or production in the off-shore or onshore areas or from the business of providing technical service fees received by them. The tax concession under the provision will be granted by a gazette notification.

Net profit: The foreign companies, particularly the U.S. companies, are insisting on something more. They are not particularly interested in tax concessions as such but in the size of the net profit after tax primarily in the share of oil and other cash payments.

They are demanding a sort of "stabilised profit" after payment of tax during the contract period. There should be no fluctuations in the income-tax obligations during the contract period.

The U.S. companies are anxious that they should be able to adjust their tax obligations in India and get corresponding credits against their tax obligations in their home country.

The Finance Ministry is considering these and other demands of the foreign companies.

CSO: 4220/7578

NAGALAND OPPOSES ONGC EXPLORATION PROGRAM

Madras THE HINDU in English 18 Aug 81 p 10

[Text] Gauhati, Aug 17--Oil exploration by the Oil and Natural Gas Commission in the oil-rich north-eastern region has received a rude shock with Nagaland putting up stiff opposition to the programme being carried on in that State any further on the plea that it would ultimately mean a "total surrender" of the rights of the Naga people guaranteed under the Constitution.

Coming almost closely on the heels of an oil blockade in Assam some time back that resulted in a huge loss to the country, such an open opposition to the oil exploration programme in Nagaland now must really be a matter of serious concern to the Central authorities.

Interestingly enough, it is the Congress(I), now in Opposition in the Nagaland Assembly, which has taken the lead in opposing oil exploration in that area. The Nagaland CLP(I) has urged the Nagaland National Democratic Party (NNDP) Government to "immediately stop" the ONGC from drilling for oil until the matter is decided by the State Assembly.

Mr S. C. Jamir, leader of the Nagaland Cong(I) Legislature Party observed at a party meeting recently that the agreement between the Centre and the representatives of the Naga People's Convention in 1960 had provided to preserve and protect their lands, minerals and other social and religious customary practices under Article 371 (A) of the Constitution.

The Nagaland CLP(I) stood by this provision and would not allow any agency or authority to undermine the Constitutional rights of the people, Mr Jamir asserted.

In spite of the special provisions of the Constitution to safeguard Naga interests the State Government permitted the ONGC to extract oil from Champang area in Wokha district without the approval of the State Assembly, he said.

It may be pointed out here that the Constitution provides that mineral resources found under the earth wherever in the country belong to the Government of India and the State Governments cannot exploit them without the permission of the Central Government.

At the recent meeting of the President of the AICC(I) Coordination Committee for the NE Region Mrs Indira Gandhi, expressed her displeasure at the Nagaland Congress(I) Legislators' stand.

The Nagaland CLP(I) President, discussed the issue with the Principal Secretary of the Prime Minister, Dr P. C. Alexander, and conveyed the party's objection to exploration of Nagaland resources by the ONGC.

According to a Naga source, preparatory to "extensive" operations in Nagaland, the ONGC is seeking from the Nagaland Government allotment of 100 acres of land in Dimapur for its office-cum-residential complex.

Huge reserves of oil and natural gas have been discovered at Champang in Wokha district and pumping of crude oil can start any day now.

According to Naga press comments "what causes anxiety to the few Nagas who have the welfare of their people at heart is that if the ONGC is allowed to produce oil in Nagaland without any special terms and agreements it will ultimately lead to total surrender of the rights of the Naga people guaranteed under Article 371-A of the Constitution. According to the provisions of this Article, all natural and mineral wealth (including oil and gas) in Nagaland belong to the Naga people. In other States of India, all mineral wealth belong to the Government of India."

It is pointed out that the Government of Nagaland will receive a royalty of Rs 17,000 per oil-producing well per day in keeping with the existing statutes governing payment of royalties to State Governments.

CSO: 4220/7578

INDIAN ENERGY MINISTER INTERVIEWED ON SOVIET AID

New Delhi PATRIOT in English 9 Aug 81 p 8

[Interview with Mr A. B. A. Ghani Khan Chowdhury, Union minister for energy]

[Text] COOPERATION between India and the USSR in the field of power development has received a significant impetus during the last one year. In November 1980, a Soviet delegation led by Mr N A Lopatin, Deputy Minister of Energy, visited India and in the Memorandum of Understanding, which was signed during his stay here, several specific areas of co-operation were identified. Subsequently, in December 1980, during the visit of the Soviet President L I Brezhnev to India, the agreement on technical and economic cooperation was concluded between the two countries, which inter alia incorporated the concurrence of the two sides to cooperate in the construction of an integrated thermal power plant of the capacity of 1000 MW (with possibility of expansion to 3000 MW) along with its associated transmission and coal development facilities.

In January 1981, the Sixth session of the Inter-Governmental Indo-Soviet Commission on Economic, Scientific and Technical Cooperation was held in New Delhi. In the protocol that was signed on the conclusion of the deliberations of the Commission, in respect of the power sector, reference was made to cooperation between the two sides in the field of operation and maintenance of power stations, supply and manufacture

of power-generation equipment, training, and constitution of a Working Group on Power in addition to the integrated thermal-power project referred to earlier.

The various areas of cooperation identified in the documents referred to above have since been followed up at different levels by the two governments. In January 1981, experts from the two countries met in New Delhi to review the follow up on the Memorandum of Understanding signed in India in November 1980. During the series of meetings which were held, besides reviewing the specific decisions taken earlier, it was also decided that three teams from India would be visiting the USSR to study related matters pertaining to thermal-power stations, power systems development and hydro-construction methods, respectively, during the year 1981.

In June 1981, I visited the USSR along with the senior officials of my Ministry primarily to discuss preliminary details pertaining to the thermal-power project to be partly financed by the USSR (which has since been identified as the Waidhan Super-Thermal Power Project to be constructed in Madhya Pradesh by the National Thermal Power Corporation) and to review the

progress in other identified areas of cooperation.

During the subsequent discussions of power Secretary in the Ministry of Energy with his counterparts in the Soviet Union, certain decisions regarding the immediate follow up action to be taken on the Waidhan project and details to be indicated to the Soviet side regarding the visit of the three teams of experts, were finalised. It was also decided that the Working Group on Power would meet in Moscow during the fourth quarter of 1981.

While it is true that in the last one year, there has been a considerable step-up in the cooperation between the two countries, it must also be mentioned that the Soviet Union has already contributed significantly to the development of the power industry in India in the past, especially to the establishment of manufacturing capacity for heavy-electrical equipments. Several thermal-power stations in the country such as Obra, Patratu and Neyveli have been established with Soviet assistance and equipment. Soviet expertise in designing and engineering of thermal-power stations has also been of considerable assistance to the Indian power supply industry especially when it was at a nascent stage.

LARGE INCREASE IN INDO-SOVIET TRADE NOTED

New Delhi PATRIOT in English 19 Aug 81 p 1

[Text] India's exports to the Soviet Union during the current year will be of the order of Rs 100 crores—nearly 2.5 times its imports from that country, said Soviet trade representative in India V. Senin in New Delhi on Tuesday.

In fact, he said the Soviet imports from India for the first six months of the present year was 25 per cent more than the trade volume specified in the Indo-Soviet trade pact.

Mr Senin told newsmen that the two countries would increase the volume of their mutual trade by about five times during 1981 of what it was in 1971.

India would continue to rank first among the developing countries in trade with the Soviet Union. He said Indian share in the general trade turnover by his country as compared to developing countries came to more than 10.5 per cent.

The salient features of Indo-Soviet trade were that it was free of any restriction or protectionist measure and transacted in Indian rupee.

The Soviet Union spent in India whatever it received from this country on Indian imports, said Mr Senin.

A new trade pact for 1981-85 between the two countries, signed during Soviet President Leonid Brezhnev's visit to India last year, was expected to give a big boost to the trade volume between India and the Soviet Union and according to the available figures so far, was expected to be double of the previous five years.

The Soviet Union would supply heavy machinery, light machine tools, building tools and mining equipment besides raw material like oil and petroleum products and fertilisers.

During the current year India would supply to the USSR engineering products like accumulators, boilers, thermoblocks and electrical components.

CSO: 4220/7584

SETHI REPORTS 10-YEAR INDO-SOVIET OIL SEARCH PLAN

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 6

[Excerpt] New Delhi, August 18 (PTI, UNI): India and the Soviet Union are drawing a ten-year plan to find potential onshore areas for oil in the country, Mr P. C. Sethi, petroleum minister, said in the Lok Sabha today.

But for offshore exploration, India was seeking the help of other parties with better expertise, he told Mr Madhavrao Scindia.

Mr Sethi told Mr Jagdish Tytler that the Soviet Union had offered during the negotiations in January to assist in the application of new methods of oil recovery in one or two oilfields in this country.

Replying to another question, he said some among the 265 wells lying idle in Gujarat were sick and India had entered into an agreement with the Soviet Union to improve the situation. About the other wells, new technology from Canada had been sought to improve production.

Mr Sethi that oil exploration in the Mahanadhi offshore area would begin in 1981 and in the Godavari basin soon. Replying to supplementaries from Mr Jagdish Tytler, he said the prospects of hydrocarbon deposits in the Godavari basin were very good.

On the recent agreement between the French firm, CFP, and the ONGC, Mr Sethi said under the agreement, the CFP would help the ONGC in increasing oil production from Bombay High from about 13 million tonnes to 21 million tonnes by 1983.

He said the government would import 1.8 million tonnes of kerosene, valued at Rs 579 crores, during 1981-82 to meet internal demands.

He also said the government would choose two of the six selected sites for locating refineries in the north-west and south-west regions. The six sites were Karnal, Kurukshetra and Saharanpur in the northwest and Mangalore, Goa and Sanai in the south-west regions.

CSO: 4220/7582

NAGALAND'S OIL ROYALTY CLAIM CONSIDERED HIGH

Madras THE HINDU in English 22 Aug 81 p 6

[Text] New Delhi, Aug. 20--The Oil and Natural Gas Commission (ONGC), which has been exploring for crude oil in Nagaland and has produced small quantities from its wells in Borholla in the Dimapur-Changajan area in Nagaland, has not so far encountered any obstruction from the people of the State despite the controversy raised by the Congress (I) in the Nagaland Assembly.

ONGC is hoping that this happy state of affairs will continue.

The relevant Article 371-A inserted into the Constitution by the 13th Amendment Act of 1962, provides that "notwithstanding anything in the Constitution, no Act of Parliament in respect of ownership and transfer of land and its resources shall apply to the State of Nagaland unless the Legislative Assembly of Nagaland by a resolution so decides".

Prior Legislation: This would imply that the exploration for oil by ONGC or any other agency like the Oil India would require prior legislation by the Nagaland Assembly.

Even in the case of the other States including Jammu and Kashmir, which are not covered by Article 371-A, ONGC and Oil India do need to be given Petroleum Exploration Licences (PEL) by the State Governments before they can commence oil exploration. When they strike oil, these licences are converted into mining leases.

Despite the special provision made in the Constitution in respect of Nagaland, ONGC has been exploring there for some years now after having entered into an agreement with the State Government in November 1973 for intensifying its exploration.

The State Government itself had felt that it was in the interest of Nagaland that ONGC should look for oil and approval for its activities by the Assembly should not be considered anything more than as a constitutional formality.

Official circles are astonished that Nagaland is inclined to put forward a claim for royalty amounting to Rs. 17,000 per oil producing well per day.

This claim could not be considered with any seriousness. The figure of Rs. 17,000 corresponds roughly to a value of 70 barrels of oil (about 10 tonnes) at the current international prices.

Even assuming that Nagaland is entitled to a far more liberal royalty payment amounting to 10 per cent of the oil produced, to be eligible for a royalty of this size, its wells should each be producing at the rate of 700 barrels a day.

Even the most productive onshore wells in Assam, especially the Mahorkatiya wells, have not achieved a rate of production of this size, their maximum output not exceeding 500 barrels a day at the most.

Other State's demand: Nagaland's claims for royalty cannot also be considered in isolation from the other oil-producing States--Assam and Gujarat. These two States had put up a fight with the Centre for stepping up the rates. They were revised from Rs. 42 to Rs. 61 per tonne with effect from April 1, 1981 and the Centre had turned down the demands of both Gujarat and Assam.

Gujarat had demanded that while fixing royalty rates, the international price of the crude should be taken into account and the royalty fixed at 20 per cent ad valorem of the weighted average posted price of West Asia crude plus 4 per cent as compensation for sales tax.

Assam had demanded that the royalty should be revised to Rs. 305 per tonne with effect from January, 1980. Gujarat had sought the revision from a still earlier date--January 1, 1976.

The revised rate of Rs. 61 per tonne roughly works out to about Rs. 9 per barrel. Attention is, therefore, drawn to the absence of any meaningful proportion between what Nagaland seems to be demanding (amounting to nearly Rs. 1700 per tonne) and what is being given to Gujarat and Assam.

CSO: 4220/7598

MINISTER REPORTS PROFITS, LOSSES OF PUBLIC SECTOR

Calcutta THE STATESMAN in English 21 Aug 81 p 4

[Text] New Delhi, Aug. 20--Eleven out of 16 public sector undertakings under the Department of Heavy Industry in the Union Ministry of Industry incurred huge losses in 1980-81.

The losses suffered by the 11 public sector units amounted to Rs 89.63 crores, the profits of the five undertakings totalled Rs 53.06 crores.

This information was given yesterday by the Union Minister for Industry, Mr N. D. Tiwari, in a written reply to a question filed by a CPI member, Mr Ramavatar Shastri.

The five units which made a profit are (figures in brackets indicate profits): Bharat Heavy Electricals (Rs 35 crores gross profit before tax and dividend), Bharat heavy Plate and Vessels (Rs 35 lakhs), HMT (Rs 16.79 crores gross profit before tax and dividend), Tungabhadra Steel Products (Rs 2 lakhs gross profit before tax and dividend), and Lagan Jute and Machinery Company (Rs 90 lakhs).

Of the five, two units made a negligible profit.

The following are the public sector units which incurred losses: (the figures in brackets indicate losses) Bharat Pumps and Compressors (Rs 2.55 crores), Bharat Brakes and Valves (Rs 25 lakhs), Bharat Wagon and Engineering Company (Rs 66 lakhs), Braithwaite and Company (Rs 8.63 crores), Burn Standard Company (Rs 9.59 crores), Heavy Engineering Corporation (Rs 40.95 crores), Jessop and Company (Rs 11.65 crores), Mining and Allied Machinery Corporation (Rs 7.69 crores), Richardson and Cruddas (Rs 20 lakhs), Scooters India (Rs 4.60 crores) and Triveni Structurals (Rs 2.90 crores).

In his reply, the Minister explained that the losses occurred on account of low production, following shortage of raw materials, particularly steel and heavy interest burden on past loans sanctioned to meet their cash losses, and paucity of working capital. Secondly, some units had to complete their unremunerative orders and were disturbed by industrial relations for a part of the year under review.

Mr Tiwari added that the Government had initiated measures which had resulted in the improvement of the operations of the loss-making units. He informed Mr Shastri

that production target in the 16 public sector units in the current financial year was fixed at Rs 1,600 crores, 24% higher than the actual output valued at Rs 1,289 crores achieved in 1980-81. The undertakings had been told to make an aggregate profit of Rs 10 crores in 1981-82 compared to the aggregate loss of Rs 36.57 crores in 1980-81.

CSO: 4220/7590

SOUTHEAST RAILWAY REPORTS RECORD PERFORMANCE

Calcutta THE STATESMAN in English 21 Aug 81 p 3

[Text] In July this year, the South-Eastern Railway loaded on an average 9,569 wagons a day, which, according to a spokesman of the railway, was the highest ever loading in the month of July in any year. During the first four months of the current financial year, the railway carried 23.43 million tons of cargo, against 22.54 million tons during the same period in 1976-77. Incidentally, in 1976-77, the railway achieved an all-time record movement of 70.43 million tons of cargo.

The spokesman claimed that the railway had moved 8.05 million tons of coal during the first four months of the current financial year, against a target of 7.5 million tons. Of this supply, the steel plants and the washeries accounted for 4.35 million tons which was 25% more than that supplied during the same period last year. As a result, the coking coal stocks in the steel plants had gone up to 495,000 tons from 380,000 tons in April this year.

It was stated that the South-Eastern Railway had also surpassed its target of movement of other raw materials for the steel plants during the first four months of the current year. It despatched 7.1 million tons of raw materials against a target of 7 million tons. Severe power cuts in the Dalli-Rajhara and Ahiwara areas of Madhya Pradesh had, however, hampered iron ore loading for the Bhilai Steel Plant which had at the moment 15 days' stock.

During the period under consideration, the railway carried 250,000 tons of imported coking coal from Visakhapatnam, Paradip and Haldia ports and by July none of the ports had any stock of imported coking coal left. The quick movement of the material from the ports was one of the reasons for the rise in the coking coal stocks at the steel plants, the spokesman added.

The railway failed, however, to reach its target of movement of petroleum products during the period by 170,000 tons because of some storage problems in the oil depots. As a result, many tank wagons remained idle during the period, it was stated.

CSO: 4220/7590

PLAN APPROACH TO STEEL DEVELOPMENT REVIEWED

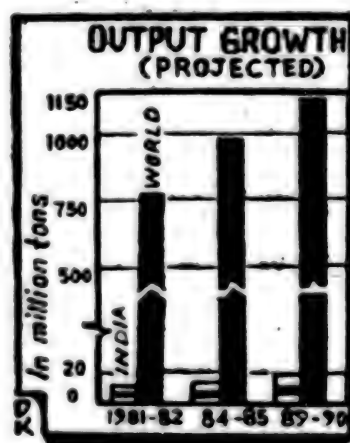
Calcutta THE STATESMAN in English 24 Aug 81 p 15

[Text] The development programme for steel in the Sixth Plan looks rather modest if one judges it by the physical production target only--just an increase of 3.2 million tons by 1984-85 over the existing installed capacity of 11.4 million tons. And of this additional capacity, as much as three million tons are to come from the ongoing expansion projects at Bhilai and Bokaro.

Output from the third Soviet-aided project at Visakhapatnam will begin only in the Seventh Plan. If the project at Paradeep is finally cleared, it too for all practical purposes will be a Seventh Plan scheme.

This cautious approach to steel development makes sense. As it is already well known that the public sector steel plants for the past several years were utilizing their rated capacity very unsatisfactorily not because of any recession in demand but because of severe infrastructural constraints created by inadequate supplies of coal and power, and to some extent, rail transport. The position has improved as is evident from the steadily rising production from the public sector steel plants, but the infrastructural problem has not been quite left behind. In fact, with substantial additions to the rated capacity at Bokaro and Bhilai, the problem may become serious again, if in the meantime, adequate captive power facilities at these plants are not set up and coking coal imports are not arranged.

Indeed, it would appear, in retrospect to be a grave mistake to have taken away all the coking coal producing mines from the control of the Steel Authority of



India and place them under Coal India. The steel plants after all consume the best part of the output from these collieries. The Steel Authority would have taken care to ensure that production at the coking coal mines are maintained at a high level--quality apart, the output today falls absolutely short of demand--had the oil arrangement been continuing. Since that decision is now unlikely to be reversed, measures should be taken to upgrade the quality of coking coal so that most of our needs are met out of our own resources. A new technology like direct reduction promises to minimize the coal problem but the technology is not quite established in this country yet.

The SAIL is quite right in insisting that in all future development plans equal importance should be given infrastructure and new plants or expansions. Infrastructure becomes particularly important in the context of time-bound programmes which the present SAIL chairman wants to follow for all projects, on-going or new, very much in the same way as the Kudremukh iron ore project was executed. As a measure of the cost of delay, he calculates that for every crore of rupees borrowed there is an interest liability of Rs 3,000 a day. And for the Bhilai and Bokaro expansion projects which have already been considerably delayed, the Sixth Plan outlay totals as much as Rs 1,726.27 crores. A substantial part, if not the whole of it, is likely to be borrowed.

Thus strengthening of the infrastructure and expeditious completion of on-going projects from the core of the Sixth Plan development programme for steel. Yet there is a third dimension which is quite significant. It is modernization. Like the Tata Iron and Steel Company which is modernizing on its own with a Rs 200-crore scheme that will bring advanced technologies like the L.D. process of steelmaking and the continuous method of rolling, the Steel Authority has modernization schemes for Durgapur and Rourkela steel plants, where it is proposed to go in a for measure of tonnage expansion as well up to 2.1 million ton capacity (1.6 million tons present capacity) in the case of Durgapur and up to 2.5 million tons (1.8 million tons) in the case of Rourkela. A thoroughgoing plant rehabilitation scheme for the sick Indian Iron and Steel Company plant at Burnpur is also being executed so that the plant may operate at the full rated capacity of 1 million tons in due course.

However, it needs to be noted that the modernization projects of Durgapur and Rourkela have not yet been cleared by the Public Investment Board although there are provisions for these two in the Plan budget.

For Rourkela it is Rs 422.43 crores and for Durgapur Rs 179.65 crores. The latter scheme is perhaps tentative, for the recommendations of the British Steel Corporation which has already been accepted by the SAIL board, involves an investment of nearly Rs 1,000 crores. Understandably, in the Plan production target additional capacity proposed for Rourkela and Durgapur is not included.

Plant	Existing capacity in million tonnes	Sixth Plan capacity target
Bokaro	2.5	4
Bhilai	2.5	4
Rourkela	1.8	1.8
Durgapur	1.6	1.6
Tata Steel	2.0	2.2
Indian Iron	1.0	1.00
Total	11.4	14.6

(The total outlay proposed is Rs 4,000 crores or Rs 4373.44 crores if Tata Steel's expenditure on modernization as well as plant rehabilitation schemes is included.)

It is now necessary to take a look at the supply-demand picture as it is today and as it is likely to be by the end of the Sixth Plan. Already the country has been importing between one and 1.5 million tons of steel per year largely because of the relatively low rate of capacity utilization at the public sector plants. Having stepped up their capacity utilization there is now even a surplus in certain categories. So the SAIL chairman has been advocating some exports to relieve the pressure on the domestic market and at the same time, pay partly for the imports as well.

The country's overall consumption needs of steel at present is roughly eight million tons in finished terms, and the existing installed steel capacity in the country, including that of the mini steel plants, is quite capable of taking care of this demand. As steel demand is growing at the rate of seven to eight per cent a year, the total demand by the end of the Sixth Plan is likely to rise to 12.7 million tons. This will be nearly two million tons ahead of the finished steel capacity that is likely to be established by then. One ton of ingot steel equals three quarter tons of finished steel. On this basis 14.4 million tons of ingot steel will yield 10.8 million tons of finished steel.

What is the policy prescription the demand projection points to? A steady and continuous expansion of the steel industry until supply fully catches up with demand, or even produces a steady surplus for which export outlets can be built up on a long-term basis. But going by the projections made up to the end of this century of bodies like the Planning Commission (specifically the Working Group on Iron and Steel set up by the Commission), even the 1989-90 capacity target of 24 million tons and output target of 21.3 million tons of ingot steel would not fully meet a finished steel demand which is expected to rise to 18 to 19 million tons. The steel industry has to produce 24 to 25 million tons of ingot steel to meet the expected demand.

Clearly, the country's resources unlikely to permit the quick addition of an extra 14 million tons. The indigenous capacity for making steel plant equipment may also become a big constraint if three or four integrated steel plants are to be built at once. The decision to build coastbased steel plants with foreign help is basically wise, especially when the circumstances are so favourable to attract foreign interests on our terms. The steel industry in the developed world which constitute over 75% of world steel capacity today is unlikely to grow as fast as it did in the past decades. The noncommunist developed nations barring Japan are actually reducing capacity, cutting always all outdated and technologically obsolete plants which have ceased to be efficient, and competitive, by modern standards. As no new steel capacity is being added, a good deal of steelmaking and heavy engineering equipment capacity is lying idle. Tata Steel is importing equipment for its modernization programme on fairly favourable terms. There is no reason why the Government or the public sector steel industry cannot do the same. With India's excellent credit rating in the international capital market money to import foreign equipment on reasonable terms will not be a problem.

AGRICULTURE MINISTER TELLS WHEAT IMPORT PLANS

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 6

[Text] New Delhi, August 17--The very first question taken up by the Lok Sabha on the opening day of the monsoon session related to wheat imports.

Rao Birendra Singh, minister for agriculture, told the members that the average landed cost of imported wheat was estimated at Rs 1,964 a tonne inclusive of ocean freight and incidental expenses of unloading.

The question was put by Mr Jyotirmoy Bosu (CPM). His suggestion for a higher procurement price in view of the imported cost was rejected by the minister on the ground that domestic prices were not determined by international market fluctuations.

Replying to Mr Bosu, the minister stated that the government had contracted to buy 1.515 million tonnes of wheat from the U.S. for delivery from August 15 to January next year.

Support Price

He also stated that the government had fixed the support price of Rs 1,300 per tonne for the current marketing year against Rs 1,270 a tonne recommended by the agricultural prices commission.

According to the minister, the estimated foreign exchange outgo, on present reckoning, would be about \$293 million, inclusive of the price of wheat which would be about \$262 million.

When Mr Bosu claimed that even during the second week of May, the government had disclaimed any intention to import wheat, the minister pointed out that the decision was taken in June.

In respect of the purchase of two American varieties of wheat, the minister said in reply to a query that the Western White would cost about \$168.78 a tonne and the Hard Red winter variety about \$181.49 a tonne.

Minister's Disbelief

The minister bluntly said that the government "could not believe Mr Bagri and his associates" when the socialist group member suggested that the country would get all the food it needed from within if the procurement price were raised.

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Rao Birendra Singh also dismissed as "totally baseless and unfounded" the charge by Mr R. P. Yadav (DSP) that the government had gone slow on procurement to justify imports.

The minister sought to turn the tables on the opposition by blaming its "negative role" for the withholding of stocks by big farmers and traders. It was to prevent manipulation of prices and consequent harassment of the consumers that the government decided to go in for imports, he asserted.

Answering a question by his party colleague, Mr R. L. Bhatia, Rao Birendra Singh said: "We did not want to take any chances in the face of depletion of stocks after the drought."

Target Doubtful

He informed another member that against the target of 9.5 million tonnes, the actual procurement so far was about 6.5 million tonnes. Although this was higher than last year, the target might not be achieved.

The main reasons for low procurement, according to him, were offers of higher prices by trade compared to the procurement price fixed by the government and withholding of stocks by traders and producers.

Targets were fixed for Punjab, Haryana, UP, Rajasthan, Madhya Pradesh, Bihar, Gujarat and Maharashtra. In other states, it was lower than the targets.

The shortfall until now was about three million tonnes. It was not possible to estimate at this stage what the final figure would be at the end of the year. As on July 31, the total wheat stock available with government agencies was about 7.7 million tonnes.

CSO: 4220/7576

TRADERS OUTWIT GOVERNMENT, MOP UP EARLY WHEAT

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 7

[Text] New Delhi, August 21 (PTI). Traders outwitted the government in making a more realistic estimate of the 1981 wheat crop and mopping up early market arrivals in Punjab and Haryana--the major procurement zone for official agencies for stock-building.

This is the broad finding of a quick study into the causes of low procurement undertaken by the Agricultural Economics Research Centre of Delhi University, after the Prime Minister's visit to Chandigarh in May last to review the situation.

The study by Dr Laxminarayan, director of the centre, said, contrary to official claims of a record wheat crop this year, that production was certainly lower than estimated and that traders made the best of the situation by buying and exporting considerable quantities to deficit states before movement restrictions were clamped.

The eminent economist, Dr V. K. R. V. Rao, in a foreward to the study report, observes that the most arresting feature was the "better knowledge of crop prospects both by producers and traders and the deficiency of such knowledge on the part of official agencies charged with determining the procurement target and of implementing it."

The study lists the causes for low procurement as follows: fall in output, large and earlier purchases by traders, sales by producers to traders in markets outside the region but in its vicinity (Narela in Delhi) when there was no ban on inter-state movements, and larger retention of stocks by producers both for consumption and sale at anticipated higher prices later.

Stating that official expectations of wheat crop were "over-estimates," Dr Rao says the US agriculture department had known it from data collected by their satellite system. This knowledge was made public in the press after India had gone in for import of wheat from the US. The "more disquieting fact" was that the over-estimate could have been rectified if the government had used the expertise available in Punjab Agricultural University.

State Policy

The study showed that traders had better communication link with crop prospects at the grassroots level. He hoped the study would help in improving procurement policy for the future not only in the Punjab-Haryana region but also in other areas of the country where procurement operations were resorted to for building up stocks.

The study outlines a stable food policy with movement restrictions, monopoly procurement, limited role for private trade and higher procurement prices.

It also calls for a re-examination of policy by the Reserve Bank in regard to credit advanced to warehouses. Warehouses in Haryana were using institutional finance by taking advantage of the Reserve Bank's directive for hoarding wheat, Dr Laxminarayan said.

The study suggests: (1) Crop forecasting system should be revamped with the association of independent institutions like Punjab Agricultural University and final forecast estimates should be prepared in the last week of March by taking into account weather conditions at the time of ripening of wheat crop.

(2) Inter-state movement restrictions should be maintained to enable the government to make maximum procurement. Surplus states like Punjab, Haryana and western UP should be cordoned off. There should be inter-district movement restriction in these states.

(3) Rather than allow the private trade to increase its profit by speculative activities which push up wheat prices, it would be better to pay higher procurement price to producers.

(4) Official agencies should be geared up for procurement and the Food Corporation of India should not become a "white elephant."

CSO: 4220/7595

MINISTER, MP'S DISCUSS RICE PROCUREMENT PLANS

Madras THE HINDU in English 21 Aug 81 p 1

[Text] New Delhi, Aug 20--As has been the case with wheat, rice procurement by State Governments will also be only on Central account from the coming season.

This will not only rid the State Governments of the bother of incurring expenditure on storage movement, etc., but also ensure them adequate funds to purchase any quantity offered by the millers.

This decision of the Centre was announced by the Agriculture Minister, Rao Birendra Singh, in the Rajya Sabha today.

He was replying to points raised on a calling-attention motion on the support price recommended by the Agricultural Prices Commission for paddy for the 1981-82 season.

What the States Wanted

Hitherto, the State Governments procured rice from the millers and after meeting their requirements surrendered the balance to the Central pool. This was advantageous to them so long as there was no subsidy element involved.

But from 1977, there has been increasing consumer subsidy element in the case of rice also and the State Governments have been demanding that the quantity of rice procured by them should be deemed to be for the Central pool and reallocated to them. This means that the Food Corporation of India should bear all the expenses on storage, etc.

Rao Birendra Singh said in reply to a point raised by Mr. P. Ramamurthy (CPI-M), that the new decision would help the Tamil Nadu Government to purchase any quantity as there would be no dearth of funds.

Mr. Ramamurthy had complained that last year, immediately after the harvest, the small farmers in Thanjavur were forced to sell paddy at Rs. 85 a quintal though the support price fixed by the Centre was Rs. 105 and the price fixed by the State Government had no funds to purchase and the Centre had not released the needed funds.

No Linkage With International Price

More than 50 members from all parties had tabled the motion. The main burden of their observations was that the price offered for farm produce was inadequate.

While most of them pleaded for parity in price between agricultural commodities and non-agricultural products, some suggested linking of the support price for farm produce with the international prices of these commodities.

Rao Birendra Singh ruled out any such linkage, but as regards parity between agricultural and non-agricultural sectors, he said, the Government policy was in that direction.

He claimed that the terms of the trade had shifted in favour of agricultural produce in the last two years.

Support Price Before Harvest

The Minister assured the members that the support price for paddy would be announced before the harvest season and the entire quantity offered by the farmers would be purchased to avoid distress sale.

He turned down the plea for complete elimination of private trade and for procurement through compulsory levy on big farmers.

Rao Birendra Singh explained that monopoly procurement by State agencies and procurement levy on farmers would act as a disincentive for production and the Government policy was therefore to allow the farmer get higher than the minimum support price, if he could, from the private trade.

The Government was committed to purchasing whatever quantity the farmer offered at the minimum support price.

Though the Minister would not give out his mind on the price likely to be fixed, he disclosed that Andhra Pradesh and Madhya Pradesh had demanded a price of Rs. 150 a quintal, while Tamil Nadu had suggested Rs. 147, against Rs. 115 recommended by the APC.

APC Criterion

While making its recommendations, the APC was required to keep in view (i) the need to provide incentive to the producer for adopting improved technology and for developing a production pattern broadly in the light of national requirements, (ii) the need to ensure rational utilisation of land, water and other production resources, and (iii) the likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, and industrial cost structure.

The APC should also take into account the change in the terms of trade between agricultural and non-agricultural sectors.

The Minister said the APC's supplementary report had taken into account the recent hike in fertilizer price and had been sent to the Chief Ministers. Comments on the supplementary report had been received from A.P., Tamil Nadu, Himachal Pradesh, Rajasthan and Madhya Pradesh. The remaining States had been reminded to expedite their comments.

As soon as the views of these States were received, a decision would be taken having regard to all relevant factors.

Members' Demand

Mr. P. Ramamurthy (CPI-M) said there was no law to punish traders who purchased at prices below the support price fixed by the Government. In these circumstances the support price would remain only on paper.

He recalled that last year small peasants had to sell paddy in Thanjavur at prices below the support price.

The Minister said he was not aware of any distress sales in Thanjavur. The Government was ready to open any number of purchase centres.

Mr. M. Kalyanasundaram (CPI) suggested elimination of private traders, but the Minister ruled this out.

Mr. R. Mohanaragam (AIADMK) complained that paddy was not given the same attention as wheat, possibly because it was grown in South.

Rao Birendra Singh said paddy was no longer a crop grown in South only. In fact 75 per cent of the procurement of paddy and rice was contributed by the Northern States. Tamil Nadu and some other Southern States were getting rice from the North.

He said the cost of paddy cultivation was lower in Punjab than in Tamil Nadu. "This shows you do not know how to cultivate paddy", he remarked.

CSO: 4220/7592

WEST RAJASTHAN STILL SUFFERING FROM DROUGHT

New Delhi PATRIOT in English 19 Aug 81 p 4

[Text] Jodhpur, Aug 18 (PTI)—About 9,000 villages in Western Rajasthan are still in the grip of drought due to inadequate rainfall, despite the fact that several parts of Rajasthan had heavy rains and floods during the last month, according to Rajasthan Revenue Minister Paras Ram Maderna.

Mr Maderna said here that a population of about 15 crores in 11 districts were facing famine conditions in the absence of normal rainfall this year.

He said the State Government was resolved to raise allocation for the early completion of the Rajasthan Canal, to relieve the western desert districts from repeated occurrences of drought and famine.

Meanwhile, the Housing and Urban Development Corporation (HUDCO) has initiated action to render assistance in rebuilding the houses damaged in the urban and rural areas of Rajasthan affected by recent unprecedented heavy rains and floods.

Experts have started visiting various centres to assess the damage and to identify various schemes. One such team of experts has already visited Bikaner and others are to visit Jaipur, Kota and Ajmer by the end of this month.

Earlier, Deputy Minister for Work and Housing, Mohammad Usman Arif, had visited Bikaner and many other places in this connection.

An official release here today said the team has identified a number of schemes in Bikaner where 661 houses have been completely damaged. A scheme has been drawn up to begin with, to construct 300 houses, out of which 150 will be for economically weaker sections and 150 for the LIG group.

The project cost of the scheme would be Rs 39 lakhs, out of which HUDCO loan component will be Rs 31.2 lakhs, the government of Rajasthan and the beneficiaries themselves sharing the balance.

CSO: 4220/7584

KERALA STAND ON CAUVERY WATERS SHARING ACCEPTED

Madras THE HINDU in English 21 Aug 81 p 9

[Text] Trivandrum, Aug. 20--The stand taken by the Kerala Government in regard to the sharing of the Cauvery waters has been accepted, and the dispute now is only on the points raised by the Karnataka and Tamil Nadu Governments, according to the Kerala Electricity Minister, Mr. R. Balakrishna Pillai, who is also in charge of inter-State rivers.

Mr. Pillai was answering a question in the State Assembly on Thursday. The question dealt with the Centre's move to bring water and electricity under its purview.

The Centre, he said, seemed to be considering a proposal to bring thermal power stations under its control. The State Government had communicated its view which was against the proposal.

To a question whether the Centre's proposal would not mean intervention in the State's affairs, Mr. Pillai said the hydro-power projects were in the state list. Kerala was also trying to enlist the support of other States.

Already Karnataka had concurred with Kerala's stand. Tamil Nadu had been approached on the subject. Some north Indian States too were opposed to the Centre's proposal. Generally speaking, the States were against the proposal, he said.

What about the move to divert waters of the west-flowing rivers, the Minister was asked. He said there was a proposal to divert the waters so as to benefit Tamil Nadu. Kerala objected to this and also refused to cooperate with the committee appointed by the Centre to study the issue.

The Kerala Government had made clear that it had no surplus water.

CSO: 4220/7592

PROBLEMS OF PUBLIC SECTOR FERTILIZER PLANTS TOLD

New Delhi PATRIOT in English 17 Aug 81 p 4

[Text] Ramagundam (Andra Pradesh) and Talcher (Orissa), the world's first two coal-based fertiliser plants outside South Africa have achieved 50 per cent capacity utilisation despite many teething problems causing production holdups.

Experts of the Fertiliser Corporation of India, which runs these two public sector units in a report submitted to the Central Government have suggested that an additional gasifier and steam boiler would be needed at each of the plants to remove the production obstacles and to achieve a higher capacity utilisation about 80 per cent.

An expenditure of about Rs 60 crores is estimated for the purpose and the Centre is examining the proposal.

The two plants, which went into commercial production from 1 November 1980, are based on the Kopper-Totzek (West Germany) process for gasification of coal. The process is unique in respect of 4-headed gasifiers, which are the first of their kind in the world, each with a capacity to produce gas equivalent to 300 tonnes of ammonia.

The plants have installed capacity of 4,95,000 tonnes per year of urea each, which is equivalent to 2,28,000 tonnes of nitrogen.

When the two coal-based plants were proposed in 1969 after the crisis of Naphtha in 1967 it was considered necessary to have four gasifiers and boilers for each of the plants so that maximum capacity utilisation could be achieved. But the Centre, in its wisdom, sanctioned only three gasifiers as well as steam boilers.

However, after the initial experience it has been now found that the fourth gasifier and boiler are necessary. It has been established now that each gasifier, after 11 to 12 days of operation, has to be shut down for about three days for preventive maintenance.

With the additional gasifier and a boiler both the plants would be able to reach higher capacity utilisation, the FCI experts feel.

Both the plants were approved in 1971 but it took about seven years for the construction. While 72 per cent of the total equipment are indigenous the remaining 28 per cent were imported.

During the commissioning of both the plants, a number of teething problems and mechanical failures were faced, and a large number of modifications were made to overcome these problems.

One of the constraints in the operations is the coal quality. The coal supplied to both the plants have not always been up to the required quality, which adversely affected the capacity utilisation.

The Talcher plant in this regard is the worst affected. The open caste mines are not able to maintain the quality of coal whereas the underground mine, has not been successful due to various reasons.

Now the CIL is trying to find suitable mines in nearby areas for the plant but this would add to the difficulty and cost of operations of the plant.

In spite of all these according to Mr Chuarey OSD, FCI that the technology of the plants, which have cost about Rs 224 crores each is fundamentally workable.

While the initial investment on a coal based plant is the highest as compared to natural gas, naphtha or even fuel oil, the operating cost still works out to be the cheapest based on current prices of inputs, according to experts.

CSO: 4220/7574

BRIEFS

SCHEDULE CASTES COMMISSION--New Delhi, Aug 16--Mr K. Rajamallu, MP, has been appointed Chairman of the Scheduled Castes and Scheduled Tribes Commission. Mr Hokise Sema has been appointed a member and Mr Shishir Kumar, Commissioner for Scheduled Castes and Scheduled Tribes, has been made an ex-officio member of the Commission. Mr Rajamallu and Mr Hokise Sema will hold office for three years. [Text] [Madras THE HINDU in English 18 Aug 81 p 11]

TAX COLLECTION STATISTICS--Concessions have pushed tax collections up by 10.4 per cent during 1980-81 over the previous year's revenue from direct taxes, latest official figures reveal, reports PTI. At Rs 3,120.75 crore, receipts last year marked a jump of Rs 303 crores over those of 1979-80. The revised figure is higher than the budgeted yield from direct taxes of Rs 3105.75 crores. Official sources claim that the higher collections resulted "despite several concessions like raising that exemption limits, both under income tax and wealth tax and reducing surcharge from 20 to 10 per cent." [Text] [New Delhi PATRIOT in English 18 Aug 81 p 8]

BENGAL LAND DISTRIBUTION--Calcutta, Aug 18--The fourth workshop on land reforms organised by the land reforms department of the West Bengal Government reviewed various aspects of the land reforms measures in the State. Sixty-one officers belonging to the department and other departments participated in it. Land Reforms Minister Benoy Choudhury presided. The progress of distribution of vested agricultural land was reviewed. The workshop found that during 1979 and 1980 the average rate of distribution of land per circle per day was 25 per cent. The report of the workshop observed, "obviously, the performance was unsatisfactory." The workshop also observed there were inconsistencies in the figures of vested land. The workshop wanted that these inconsistencies be removed. Among other points the workshop also discussed the question of restoration of the Alienated Land Act. The workshop observed that this "has been extremely tardy and unsatisfactory." It has also observed that the disposal of cases came to a standstill. [Text] [New Delhi PATRIOT in English 19 Aug 81 p 4]

KHALISTAN BACKER RESIGNS--Jullundur, August 19 (UNI)--A staunch supporter of "Khalistan" and former Punjab minister, Mr Sukhuinder Singh, today resigned as general secretary of the Akali Dal (Longowal) to, what he called, help the party chief, Sant Harchand Singh Longowal, "Avoid embarrassment." Mr Sukhuinder Singh's resignation came about a week after his interview with UNI in which he strongly propagated the cause of "Khalistan" and demanded that the Indian government must concede "Khalistan" without bloodshed. Talking to newsmen here today,

Mr Sukhuinder Singh said he stood by every word he had said on the issue. His statement had caused a flutter in the party since it has not taken any stand on the "Khalistan" issue. Mr Sukhjinder Singh said the time had come when the Akali Dal (Longowal) must take a stand on the issue since it concerned the entire Sikh community. Several moderates in the party during the last one week had demanded disciplinary action against Mr Sukhjinder Singh but the Dal chief, Sant Harchand Singh Longowal silenced them by advising party workers not to air their views on the issue. Today's action of Mr Sukhjinder Singh was seen by observers as an attempt to force the party leadership to take a clear stand in support of the movement for Khalistan. [Text] [Bombay THE TIMES OF INDIA in English 20 Aug 81 p 7]

SWAMI REDDY DIES--Hyderabad, Aug 19--Freedom fighter and Communist leader Y Swami Reddy died in the Kurnool general hospital yesterday following prolonged illness. He was 70. A recipient of tamrapatra, Mr Reddy was the founder member of the Congress Party in Kurnool. Mr Swami Reddy participated in the Boycott Simon Commission Movement and was jailed for 15 days in February, 1928 for hoisting the national flag right opposite a police station in Madras. He joined the CPI in 1944 and worked in it in various capacities. The CPI State Council has expressed its deep sense of sorrow on his death and deputed executive committee member Mr P Ola Subbaiah, MLA, to participate in the funeral. [Text] [New Delhi PATRIOT in English 20 Aug 81 p 1]

IAF OFFICER SHORTAGE--Prime Minister, Mrs Indira Gandhi told the Lok Sabha on Wednesday that there was some shortfall in the commissioning of IAF officers against the requirement, the main reasons being the rigorous standards adopted for selection, medical fitness and flying aptitude for pilots, reports PTI. But, she told Mr Tariq Anwar, that it would not be correct to relate this shortfall to the terms and conditions of service in the Indian Air Force. In her written reply she said that it was not appropriate to compare the terms and conditions of service of commercial pilots with the pilots of IAF. Within the overall constraints of resources, she said, the Government had been taking measures to improve the service conditions of members of the armed forces including IAF officers. [New Delhi PATRIOT in English 20 Aug 81 p 7]

CEMENT SHORTAGE PROTESTED--Several members in the Lok Sabha on Wednesday complained about country-wide shortage of cement, reports UNI. Replying to a spate of supplementaries Minister of State for Industries Charanjit Chanana hoped that the position would ease soon as the capacity utilisation of cement plants was being increased to 80 per cent this month. He admitted that there was a general scarcity of cement. He hoped cement supply would be enhanced by the end of the sixth Plan with proportionate increase in production by the public sector units. Dr Chanana said the Government had introduced a monitoring system to prevent blackmarketing and pilferages. Minister of State for Industry Charanjit Chanana told Mr A C Das that a new system to monitor cement distribution is being worked out in consultation with States. [New Delhi PATRIOT in English 20 Aug 81 p 7]

CONVERSION PANEL MEMBERS--The Congress-I party in Parliament has constituted 13-member committee to make on-the-spot inquiries into mass conversion of Harijans in Meenakshipuram, Tamilnadu and other parts of the country, reports PTI. Mr Dharam

Dass Shastri, Lok Sabha member, will be the chairman of the committee. The other members are: Miss Saroj Khaparde (Rajya Sabha-Mah), Mr C P Shailani (Lok Sabha-UP), Mr R Y Ghorpade (Lok Sabha-Karnataka), Mrs Najma Heptulla (Rajya Sabha-Bombay), Mr Kamaluddin Ahmed (Lok Sabha-AP), Mr Era Anbarasu (Lok Sabha-Tamilnadu), Mr Xavier Arakkal (Lok Sabha-Kerala), Mrs Roda Mistry (Rajya Sabha-AP), Mrs Amarjit Kaur (Rajya Sabha-Punjab), Mr Arvind Netam (Lok Sabha-MP), Mr Saminuddin Ansari (Lok Sabha-Bihar), and Maulana Asrarul Haq (Rajya Sabha-Rajasthan). The committee will shortly visit Meenakshipuram where the first mass conversions of Harijans to Islam were reported and other places and submit its report to the leader. [New Delhi PATRIOT in English 20 Aug 81 p 7]

PRC MISSILE THREAT--New Delhi, Aug. 20--The shifting of China's missile base from Lop Nor Tonagchuka in Tibet poses a major threat to Delhi, Amritsar and Lucknow, reports UNI. This brings these major industrial cities within the firing range of Chinese ICBM, according to reports from Tibetans coming to India. Military airstrips were being built in major Tibetan towns and in remote areas of strategic importance to the Chinese, virtually transforming Tibet into a formidable military bastion, according to a Tibetan Youth Congress Press release here yesterday. [Calcutta THE STATESMAN in English 21 Aug 81 p 4]

TEAM TO PRC--New Delhi, Aug. 20--India will send an official delegation to Beijing within the next few months for discussions to settle bilateral disputes, including the Indo-China boundary issue, the Lok Sabha was informed today, reports PTI. Preparations for the official-level meetings are being made in consultation with the Chinese Government, Mr P. V. Narasimha Rao, External Affairs Minister, told Mr S. M. Krishna and 16 others in a written reply. The delegation's visit would be preceded by preliminary discussions by the Indian Ambassador at Beijing, he added. "It has been our stand that progress in India-China relations cannot be complete as long as the boundary question remains unresolved," Mr Rao said and added that the Chinese had accepted India's basic position. At the same time, "we have made it clear that the settlement of the boundary issue is not a precondition, and that we are willing to develop relations in other fields simultaneously," he said. [Calcutta THE STATESMAN in English 21 Aug 81 p 9]

PRIME MINISTER'S SECRETARY--Mr K K S Rana, former Indian ambassador to Czechoslovakia, has taken over as joint secretary in the Prime Minister's office in place of Mr Care Khan, who has been reverted to his ministry, reports UNI. Mr Salman Khurshed, son of the Union Minister of State for Commerce, has also joined the Prime Minister's office as an officer on special duty. Mr Khurshed is a former lecturer in law in the Oxford University and also a keen environmentalist. [New Delhi PATRIOT in English 21 Aug 81 p 1]

KARNATAKA CONGRESS-U--Bangalore, Aug 20 (PTI)--Prime Minister and Congress-I president Mrs Indira Gandhi has given clearance for the admission of the Karnataka Pradesh Congress-U Committee president, Mr D B Chandre Gowda and his followers into the Congress-I en masse, a KPCC-I spokesman claimed here tonight. The spokesman claimed that barring one or two, rest of the Congress-U legislators had expressed their desire to join the Congress-I along with Mr Chandre Gowda. Eighty to 90 per cent of the DCC-U's would merge with the Congress-I, the spokesman claimed at a press conference. The spokesman said Chief Minister R Gundu Rao had

apprised Mrs Gandhi of Mr Chandre Gowda's desire to join the party with others and she had given her clearance. Mr Rao who left for Delhi tonight would meet Mr Gowda who is already there. Mr Gowda had talks with Mrs Gandhi yesterday to work out the modalities for joining the Congress-I. [New Delhi PATRIOT in English 21 Aug 81 p 4]

SUBRAMANIAM ON MISSILES--A defence analyst in Delhi has described as false news reports that Chinese Intercontinental Ballistic Missiles (ICBM) placed in Tibet are targeted on Indian cities, reports PTI. Dr R R Subramaniam of the Institute for Defence Studies and Analysis said on Thursday the missiles stationed in Tibet are not ICBM's but Medium Range Ballistic Missiles (MRBM). Their major target is the Soviet command centres in Sharysagan and not the Indian cities, he said. [New Delhi PATRIOT in English 21 Aug 81 p 7]

PROMOTION TO REAR ADMIRAL--Port Blair, Aug. 21--Commodore R. P. Sawhney, Commander of the Andaman and Nicobar Island fortress has been promoted as Rear-Admiral. [Madras THE HINDU in English 22 Aug 81 p 16]

ENVOY TO TANZANIA--New Delhi, August 22 (PTI)--Mr. N. P. Alexander, ambassador of India to Sweden, has been appointed high commissioner of India to Tanzania in succession to Mr. Alfred Sylvester Gonsalves. He is expected to take up his assignment shortly, says an official release. Mr. Narendra Singh, ambassador of India to Switzerland, has been concurrently accredited as ambassador of India to the Holy See, with residence in Berne. [Bombay THE TIMES OF INDIA in English 23 Aug 81 p 5]

MANIPUR COMMUNISTS HELD--Imphal, Aug. 22--Manipur police today arrested four prominent leaders of the outlawed Kangleipak Communist Party at a Mongshangei hideout, reports PTI. According to official reports, they were identified as Mr Sougrakpak Inaotombi (20), Mr Thoudam Binoy Singh (20), Mr N. Loken Singh (18) and Mr W. Chourajit Singh (18). The KCP chief, Mr Ibohanbi Singh, now in Varanasi jail, had been arrested last month. UNI adds: A 24-year-old employee of the Food and Civil Supply department, Mr Pangbam Samungau Singh, was shot at by a group of five unidentified persons yesterday evening at Heingang village, about six km from here, according to police. [Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 1]

FOREIGNERS' ACCOMMODATION PAYMENTS--New Delhi, Aug. 22--The Union Finance Ministry today notified that from now on, foreign nationals visiting India would have to pay their hotel bills in foreign currency, reports UNI. Issued under the Foreign Exchange Regulation Act the notice carries a list of 26 foreign currencies in which the tourist can make his payment. However, tourists from Bhutan, Czechoslovakia, GDR, Nepal, Poland, Rumania and the Soviet Union and foreign nationals invited by the Central or State Governments can pay in Indian currency. [Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 1]

RAJYA SABHA MEMBER DIES--Aurangabad, Aug. 24 (PTI)--Bhausahab Vaishampayan Congress-I member of Rajya Sabha from Maharashtra, died here this evening after a prolonged fight with lung cancer. He was 66. He is survived by his wife, two daughters and a son. Mr Vishampayan was a member of the Rajya Sabha from 1964 to 1970 and again from 1976. He was a member of the Maharashtra Legislative Council from 1970 to 1976.

RESISTANCE TO COOPERATIVIZATION BLAMED ON INADEQUATE LEADERSHIP

Vientiane VIENTIANE MAI in Lao 12 Jun 81 p 2

['Conversations With the Editor' column: "A Friendly Conversation"]

[Text] A reader whose pen name is "S. of the Two Systems" wrote us a long letter, saying, "I once visited Hat Kiang Village in Saithani District and met an older villager (name withheld) who said he did not want to talk to me if I had been working there for 30 years or so. But since I have lived in Vientiane for a long time, he therefore decided to talk to me. He was also afraid to talk for fear that his colleagues would be upset. At one point he talked about the organization of the agricultural cooperative at Hat Kiang Village where the members belonged to the coop in name only, but they actually worked independently just as they had done before the organization of the coop. The old man further commented that such type of organization was a good one because everyone was in favor of it..." Finally, S. questioned if it was proper for the old man to talk to him and to make such a comment about the cooperative. He further claimed that he was not informing against the old man, but only reported of these remarks so as to prevent any repetition which may cause misunderstanding in the future.

[Editorial response] It has been a long time since "S. of the Two Systems" last wrote us. Since this column was designed for a friendly exchange between us and our readers, it is beneficial for all of us because it informs everyone of the situations in which the state's just and logical policies have failed to be understood by our people. Generally speaking, the majority of the people have understood and grasped the state policies quite well. However, at the same time it is unavoidable that there be misunderstanding of these policies, and subsequently, become suspicious of the state. There are many in this category. We do not blame the old man, but we are disappointed in his lack of confidence [in the state]. Some people are different in that if they do not understand something, instead of studying it, they just ignore it. First of all, if they want to understand the problem, they must study the problem and its cause before making any comment about it. Likewise, in actual practice, the details must be thoroughly studied before setting out. No one should begin that which he doesn't understand, because to do so would result in a faulty outcome. Similarly, the problem of the setting up of the cooperative described by the old man is not only faulty, but in its actual operation, makes a just path change course. We are sure that organizers of an agricultural coop have been equipped with sufficient

knowledge, but after studying things, instead of following the principles they learned, they follow new, wrong paths. This ultimately leads them to destruction. They immediately blame the misfortune on the agricultural coop. This random accusation not only hinders the production progress, but also lessens the people's confidence. Subsequently, these people are hesitant to perform in an all-out manner. My dear friend, it is now necessary to call on everyone to really study things profoundly and then implement them not just learning them for the sake of learning. He must not study them only half-way because to do so will endanger the public as a whole.

In current actual operation we have experienced problems caused by some individuals who learned the policies only partially. Some are either too rightist or too leftist to comprehend the policies or strategies and are therefore ignorant of on whom dictatorship or democracy should be exercised. When they don't grasp the issues, it is certain that in the actual operation they will lessen the public's confidence in the just and logical guidelines of the state. This problem definitely will greatly endanger our work. Looking specifically at those in leadership positions, it is extremely necessary that they study and grasp the state policies. Several phenomena have frequently shown us that some leading cadres have become too gullible; they are easily swayed by anything they hear from anybody without studying its causes. Some cadres enjoyed being entertained, and were exercising favoritism with those who entertained them, while those who are genuinely good citizens were misunderstood and treated unjustly. These cadres have behaved without ethics and morals, and reacted without studying the causes of the problem in revolutionary theory.

- 1) Our party was not organized to make its members wealthy overlords. It was set up to liberate the nation and make it prosperous, making the people happy.
- 2) Revolutionary cadres must fully understand its revolutionary theories, and thus see to it that these theories are applied alongside the practical operation.
- 3) Slogans and instructions must be designed in reference to the actual conditions domestically, and to the revolutionary lessons of foreign countries and in the localities involved.
- 4) We must depend at all times on the masses to check and see if the slogans and instructions are correct.
- 5) We must closely monitor all party work constantly. All tasks must always be for the people, in a spirit of instilling patriotism, diligence, frugality and faithfulness in cadres, our party members and the people.
- 6) All party tasks must follow their guidelines and must be closely coordinated with the people. If the party fails to do so, it will not only fail to lead its people. As a result, it will not only fail to teach the people, not raising their level of awareness. This will also make us fail to understand their attitudes.

7) All party tasks must preserve the revolutionary spirit. They must be skillfully designed so as to create joyfulness among the people. Without such skill in designing the tasks, we will not know how to struggle, organize, and coordinate the people's day-to-day interests with long-term interests.

There are still many other points to be discussed, but I am bound by the space and must stop here. However, I am asking you to try to find a way to help us. Disseminate the party's guidelines when opportunities present themselves. If you don't understand, listen and don't let people misunderstand things, because to do so can be most dangerous and harmful to each task. This is because what is in the party's interest is in the interest of the nation and its people.

9013

CSO: 4206/60

CADRES ENGAGING IN FRAUD AGAINST STATE ORGANIZATIONS

Vientiane VIENTIANE MAI in Lao 6 Jun 81 p 2

['Conversations With the Editor' column: "Is It Wrong for Cadres to Buy and Then Resell?"]

[Excerpts] [Question] I. There are two problems with the business deals of state cadres: 1) Some cadres use personal funds to purchase goods from the private sector to sell to the state at the established prices. 2) Cadres use their own funds to purchase state goods for sale to other state organizations. II. Are state cadres, who spend their free time operating a farm to be somewhat self-sufficient, eligible to buy the state rice ration?

[Answer] Both of the points you raise are wrong. Why? Above all, you must understand that a cadre is a state official who works for the state and party. He is a revolutionary officer whose duty is to serve his nation and its people, not to use the uniform as a mask for concealing his vileness and ugliness. A revolutionary officer is as pure as the driven snow whose way of life is above reproach. I hope you understand clearly the ethics of a cadre. Our oft-quoted motto is that a cadre is not a merchant. Any cadre who desires to be a merchant must resign from state work; he should not become a parasite against the state and party.

In answering question II, the state has been and is currently providing a ration to every cadre so as to ensure his living conditions. If any change in policy should occur in the future, it will be publicized by the state. Moreover, members of the state cooperatives have also been selling additional rice to any cooperative lacking sufficient rice supply. This is the state's policy. However, I would like to add my own comment. Any cadre who becomes self-sufficient and does not buy his ration so that the state can reserve more rice for others, so much the better. Besides, such cadre would have more money left. What do you say?

9013

CSO: 4206/60

BRIEFS

HILLTRIBE RESETTLEMENT IN VIENTIANE--Since the beginning of 1981, 30 families of the multi-ethnic population of Hinngon Canton, Kasi District of Vientiane have collectively deserted their swidden farming to begin wet rice farming. They are, at present, urgently planting their annual rice crops in order to complete the planting on 37 hectares. Since 1980-81 there have been altogether 50 families of these hilltribe people resettling in the wet rice areas and completing their rice growing in a total of 62 hectares. These people are, at present, courageously and urgently continuing their farming in order to complete their planting on schedule. [Text] [Vientiane VIENTIANE MAI in Lao 6 Jun 81 p 1] 9013

CSO: 4206/60

DATUK LEE SAN CHOON ON HOW TO SAFEGUARD MCA'S IMAGE

Selangor KIN KWOK DAILY NEWS in Chinese 7 Jul 81 p 3

[Text] "Don't curry favor. Don't be hostile. Don't act in a perfunctory manner." Those are aphorisms uttered by Datuk Lee San Choon to safeguard the image of the Malaysian Chinese Association [MCA] and to get rid of monsters and freaks.

The MCA president and concurrently minister of communications said that 25 years of political life, including five terms of membership in Parliament, have enabled him to see through the real face of Malaysian politics and appreciate the significance of the abovementioned aphorisms.

"We must not toady, but must rely on our own ability and effort to do the job and do it well. We must not adopt a hostile attitude, because our nation is made up of three major nationalities, and it would be unwise to create friction and animosity, for we have no guns. We must not cheat the voters, but treat them in all sincerity," he said.

Datuk Lee made these appropriate and pertinent remarks before a public gathering marking the 32d anniversary of the founding of the political party held at a primary school playground on Banko Island, Perak State, the other day.

Datuk Lee asserted that the MCA is fully prepared to face all challenges and will not shirk its duties, adding that it will adopt practical and realistic outlooks and actions to carry out its work, instead of saying sweet words and discussing theories on paper.

Datuk Lee San Choon expressed satisfaction over the completion of the MCA's first five major projects--the cooperative society, the headquarters building, Rahman College, the Huaren Holding Sendirian Berhad and the recruitment of new party members. These projects have given great encouragement to the Chinese community and will bring major changes for it in the future, he said.

He said that the second five major projects will involve the construction of a cultural hall, cadre training classes, control of commercial and industrial shares in various states, self-sufficient cooperative societies, and an educational foundation. He expressed the hope that the comrades would give their full support to them.

Datuk Lee said if a political party wants to serve the people, it must have an overall development plan for the people to see and compare, instead of criticizing other people at random.

He affirmed that if there is a political party which has a better program than the Malaysian Chinese Association, the latter will follow it and support it.

Datuk Lee attacked several political parties, such as the Gerakan Rakyat Malaysia [Gerakan] and the Democratic Action Party [DAP], which, he claimed, have not done a single thing for the unity of the Chinese community in all these years, Where are they going to lead the Chinese people to, he asked.

Datuk Lee explained that due to financial and manpower limitations, the National Front government is neglecting many things in its leadership. Realizing this weakness, the MCA has taken the initiative to devise five major projects to aid the government in handling the problem of Chinese welfare, which has not been fairly dealt with so far, he said. Unfortunately, the MCA's good intentions have been censured by the United Malays National Organization [UMNO], the DAP and even the Gerakan. All this is because none of those parties has presented the people with a comprehensive and detailed action plan.

The datuk added that censuring people will not do, because the problems at hand will not disappear into thin air. He said he would welcome sincere and constructive criticism, but would not tolerate malicious attacks.

He pointed out that certain political parties are undependable, because they do nothing but talk nonsense. He quoted the late U.S. President Lincoln's words: "You can fool all the people some of the time, and some of the people all the time, but you cannot fool all of the people all the time."

Datuk Lee San Choon admitted that the MCA is not a perfect political party and that it has its share of shortcomings. However, the MCA is trying its utmost to solve many difficult problems.

All difficult problems must be solved with our own two hands, and not by waiting for a turn for the better, and that is why it is hoped that the people and the MCA will join hands to overcome our difficulties, he said.

As regards the recently formed independent cooperative society, he appealed to the poor labor masses to support this movement for the sake of the education and future of their children, particularly those inhabitants on Banko Island, where children's education constitutes a pressing problem.

Earlier, Datuk Lee had criticized the Gerakan's move to poach on the MCA's members as a dastardly act.

He said that other political parties have been jealous of the MCA's successful efforts in controlling shares and have criticized them on grounds of "commercializing" politics. As a matter of fact, the MCA's efforts on this score have brought benefit to the people, and the recent subscription to additional shares reached M\$500 million, indicating wide support from the masses.

Finally, Datuk Lee said that whether the MCA's establishment of the Huaren Holding Sendirian Berhad is legal or otherwise, let them wait and see!

LEADERS OF DEFUNCT MUSLIM LEAGUE, PARTIES DISCUSS ALLIANCE POSSIBILITIES

Khairuddin, Pagara Remarks

Lahore NAWA-I-WAQT in Urdu 10 Jul 81 pp 1, 8

[Text] Karachi, 9 July (by special correspondent)--Khuwaja Khairuddin, leader of the defunct Muslim League, said that one party cannot safeguard the ideological and geographical boundaries of the country. For this purpose, the entire nation must join together. Talking to a NAWA-I-WAQT special correspondent, the Muslim League, (Khuwaja Khairuddin group) leader discussed the long struggle for the merger of the three Muslim leagues and the struggle for unification of the defunct political parties. In this respect, he told about his talks with JUP leader Maulana Shah Ahmed Noorani and Pir Pagara, leader of the Muslim League (Pagara group) and said that there was no obstacle in the way of the political parties' becoming united. Khuwaja Khairuddin said that some elements had at one time tried uniting with his party and at other times had tried to sabotage it by deserting and weakening it. He said that even if elections came, unity could be maintained; they are struggling to achieve the goals that Qaid-e-Azam used to win Pakistan--the vote and constitutionality. In this respect, when Pir Pagara was asked about his meetings with Khuwaja Khairuddin and what special topic was discussed, he said that nothing in particular had been discussed.

When asked about national conditions, he said that his thoughts are insignificant. On the other hand, one of the Pir Pagara Muslim League representatives said that there was no possibility of any compromise with the so-called MRD. However, the representative noted that the doors of the Muslim League are open to righteous people and it is ready to welcome members of the Peoples' Party who strongly believe in the ideology of Pakistan. When the representative was asked if President Zia ul-Haque would be offered the presidency of the Muslim League after the unification of the three Muslim leagues, he said that no such proposal had come up thus far.

Five-Point JUP Program

Lahore NAWA-I-WAQT in Urdu 10 Jul 81 p 8

[Text] Maulana Abdus-Sattar Niyazi, secretary general of the defunct Jamiat Ulama-e-Pakistan, said that an alliance between the defunct Muslim League Party and the outlawed Jamaat Ulama-e-Pakistan was founded on an ideological basis

and as such, in the event of an intra-league alliance, this alliance would not be affected and would continue. Speaking on the five-point program of the Jamiat Ulama-e-Pakistan, Maulana Niyazi said that if the outlawed political parties accept this program, then a loose alliance is possible with them. He said talks were continuing between leaders of the defunct Muslim League, defunct Tahrik-e-Istiqfal and outlawed Jamiat for a wider alliance. He said that Maulana Ahmad Shah Noorani will report to party leaders on 25 July. It is worth remembering that Maulana Niyazi recently met Mahmood Ali Qasoori. In Lahore, there has been progress in talks for the wider alliance of the defunct parties. Mr Mushir Pesh Imam is arriving in Lahore after holding talks with Maulana Noorani and other leaders. Here he will hold talks with the leaders of the outlawed parties concerning a wider national alliance. It is rumored that Mian Mahmood Ali Qasoori, leader of the defunct Tahrik, has asked to see Air Marshal Asghar Khan. In Karachi, Maulana Noorani met with Pir Pagara today. According to the PPI, he discussed the possibilities of widening the alliance of the Muslim League and the Jamiat Ulama-e-Islam. Before that, he also met with Khwaja Khairuddin.

Khairuddin-Pagara Meeting

Lahore NAWA-I-WAQT in Urdu, 10 Jul 81 p 8

[Text] To conclude consolidation of the proposed alliance between League factions, Pir Pagara and Khwaja Khairuddin are meeting in Lahore next week. According to Muslim League sources, Khwaja Khairuddin and Pir Pagara are expected to arrive on 14 and 15 July, respectively, in Lahore where both leaders, after consulting with the members of their own groups, will finalize the alliance formula. Talks are underway for a wider alliance between the defunct Muslim League and like-minded defunct political parties. Pir Pagara and Khwaja Khairuddin have met with Maulana Noorani on this matter. In Lahore, Mr Mushir Pesh Imam met with his party leaders. The Muslim League has expressed the certainty that, in the month of Ramadan, not only will the Muslim League become allied, but talks for a wider alliance will also continue.

Jamiat Leaders' Remarks

Lahore NAWA-I-WAQT in Urdu 11 Jul 81 p 3

[Text] Maulana Abdus-Sattar Niyazi, secretary general of the outlawed Jamiat Ulama-e-Pakistan, expressed hope that after the month of Ramadan all patriotic parties will unite in a joint line of action. He said efforts are being directed toward an alliance. He said that the nation was facing a period of crisis. The enemies of the country were trying to cause confusion and disorder to attain their goals. Under such conditions, the whole nation should unite and fight against the enemy and neutralize their efforts. Akbar Saqi, Jamiat's leader, also spoke and advised the people to be ready to struggle and survive any situation. The Jamiat leaders also demanded that the 27th of Ramadan be declared Pakistan Day and that this day be officially celebrated. They said that Pakistan came into existence on the 27th of Ramadan in 1947, so it is necessary to mark this date.

CSO: 4203/101

FOUNDATION FOR WIDER ALLIANCE BETWEEN OUTLAWED POLITICAL PARTIES NOT YET FOUND

Rawalpindi TAMEER in Urdu 11 Jul 81 pp 3, 5

[Article by Ahmed Hassan Alavi in Islamabad Diary]

[Text] A series of meetings to bring together political parties having identical views that began last month in Islamabad has now shifted to Lahore. Leaders of these parties say that in view of the internal and external dangers facing the country, an alliance between like-minded parties has become essential. Efforts are being made to integrate once again the three factions of the Muslim League and, at the same time, to get like-minded political parties to withdraw from the MRD (Movement for Restoration of Democracy) and form an alliance with the Muslim League.

Last month a meeting was held at the residence of Pir Pagara between the Muslim League (Pir Pagara group) and the Jamiat Ulama-e-Pakistan. As a result of the meeting it was announced that an agreement had been reached between the Muslim League and Jamiat Ulama-e-Pakistan. But after the return of Maulana Noorani, his own party became a victim of disintegration and split into two factions. One faction is blaming Maulana Noorani's faction, claiming that he is violating the party's constitution and is expelling certain people from the party through undemocratic tactics. Furthermore, this faction says that Maulana Noorani's tenure as president of the Jamiat, like other members, has expired and that new members following the elections should have the power to make decisions. It is said about Maulana Noorani that he has resigned from the party and his resignation is now being considered by the party's legislature. On the other hand, the pro-Noorani faction says that Maulana is the life-long president of the Jamiat Ulama-e-Pakistan. The last time in Lahore, during the meeting of the General Council and the Central Action Committee of the Jamiat Ulama-e-Pakistan, General Secretary Maulana Abdul Sattar Niyazi had proposed Maulana Noorani as the life-long president of the party, a step Maulana Noorani rejected, emphasizing that the party's democratic structure must be protected. It is believed that Maulana Noorani did this to save the party from further disruption because he feels that because of his businesses and activities outside the country he would not be able to give enough time to his party and thus would not have sufficient support to be the life-long president. Because when the opposing faction of the party has already charged that Maulana, Noorani, after completing his tenure, is still holding office, then how could that group accept him as life-long president?

In such a presidency, the matter of the political alliance between the Jamiat Ulama-e-Pakistan (Noorani group) and the Muslim League (Pagara group) will be delayed because under the party constitution, if they are not officially accepted as office holders, how could they form an alliance with other parties?

As far as a vast political alliance in the country is concerned, the Muslim League (Pagara group), the Muslim League (Chatta group) and the Jamiat Ulama-e-Pakistan (Noorani group) are in contact and inclusion of leaders of some of the other defunct political parties is also under consideration. A struggle is also being waged to separate the Pakistan Muslim League (Chatta group) and the outlawed Tahrik-e-Istiqlal from the MRD. In this respect, Maulana A. Sattar Nyazi and Malak M. Akbar Saqi, both leaders of the defunct Jamiat, have met separately with Malak M. Qasim of the Muslim League and Mian Mahmood Ali Qasoori, vice president of the Tahrik in Lahore. Pir Pagara and Mian Tufail Muhammad have already met with Malak M. Qasim and Mahmood Ali Qasoori.

As far as the struggles to establish a political alliance in the country are concerned, the results are not that encouraging. The leaders should establish an alliance in their individual parties first. Then they can think of the broader alliance. At present, the situation is such that struggles for the alliance of the three factions of the Muslim League do not appear to be fruitful, although the struggles were started by well-seasoned Muslim League politician Mian Mumtaz Muhammad Khan Doltana and he himself has been very busy in this respect. To achieve his goal, he also met with Khan Abdul Qyum Khan, president of the Muslim League (Qyum group), Pir Pagara, Chaudhry M. Hussain Chattha and Sardar Shaukat Hayat Khan; all participated in the Muslim League (Pagara group) meeting and released a report on the struggles for an alliance of the three factions of the Muslim League. But Muhammed Khan Doltana seems to have reached a dead end and kept quiet after all. On the other hand, Khwaja Khairud Din and Qyum Khan are not ready to accept Pir Pagara as president of an allied Muslim League. Pir Pagara is a simple person, and he is untutored in political games. Most of the time he speaks in a very straightforward manner.

As far as Qyum Khan of the Pakistan Muslim League (Qyum group) is concerned, he does not seem to favor an alliance between Muslim League factions. His stand is that there is martial law in the country and restrictions on political parties; in his situation, what could they do even if the three Muslim League factions become allied. Qyum Khan is a lawyer. He understands very well the legal considerations involved, and he does not wish to place himself in a troubled situation.

For the sake of a wider alliance, the Muslim League (Pagara group) is struggling to separate the Muslim League (Chatta group) and Tahrik-e-Istiqlal from the MRD. Although Pir Pagara and Khwaja Khairuddin have had extensive talks on this topic, so far Pir Pagara has not succeeded in separating Khwaja from the MRD; one of the reasons being that Pir Pagara and his friends will not participate in any alliance with the Jamiat Ulama-e-Pakistan because Pagara's Muslim League is not ready to displease the Jamiat in any way.

An alliance, whether between two or more parties, is always based on give and take. But in the case of parties talking of a broader alliance, with each wanting to be supreme and not sacrifice anything, it is not possible. If there is sacrifice for a broader alliance, when it is said that unity for a broader alliance is necessary because the country is confronted with internal and external dangers, then all major differences are muted. But without this sacrifice, the situation remains unchanged.

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PAKISTAN

DEVELOPMENT PROJECTS IN DHANA, MIRPUR, RAWALKOT DISCUSSED

Rawalpindi TAMEER in Urdu 9 Jul 81 p 6

[Article by Muzaffar Abad]

[Text] A high-level meeting presided over by Brigader Muhammad Hayat Khan, president of Azad Jammu and Kashmir, has taken place. The meeting concerned the improved use of natural water resources in Kashmir under the Hill Farming Technical Development Project and prevention of flooding of land and terraces to improve agricultural production. It was decided that after a comprehensive survey of hill farming, agriculture, animal husbandry, local government, industry and forestry would collectively begin to improve the land. With the help of maps, the president explained details of the Dhana Watershed Management Project and said that preliminary work will be initiated on this project. He was told about the type of land in Dhana, how it can be used to increase production and what type of crops can be grown and fruit trees planted. The president briefed the concerned officials and said that schemes of a similar nature should be prepared for all of Azad Kashmir by 10 August. During the meeting, it was noted in this respect that the local government and the forestry office had already prepared plans. At this meeting, in addition to others, government advisors; chief secretaries; local government officials; the secretaries of agriculture, forestry, animal husbandry and finance; and the A.K.M.I.D. chairman also participated.

During another meeting on industrial matters in Mir Pur, its situation and suggestions were discussed and several important decisions were made. A special committee was established to report on the Akbar Textile Mills' taxes and the government land occupied by the Akbar Textile Mills within a month. The committee consists of the secretaries of finance, law and industry. At this meeting, matters concerning the industrial area of Mir Pur, the Vespa scooter factory, the Afzal Pur silk factory and labor were discussed. Plans for a housing project and developments in other areas, such as the one in Mir Pur by the Overseas Pakistani Foundation, will be started. Development projects in Rawalkot assisted by the Pakistan Workers Foundation were also discussed. The establishment of a free eye treatment clinic by the foundation was acknowledged and it was decided to ask the foundation for financial help in the drinking water project in Rawalkot and for help to expedite work on a housing plan and construction of a nursery school in Rawalkot.

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